Business Impact Analysis

Agency, Board, or Commission Name: Ohio Casino Control Commission (“Commission”)

Rule Contact Name and Contact Information:
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Regulation/Packagge Title (a general description of the rules’ substantive content):


Rule Number(s): 3775-1-02, 3775-1-03, 3775-1-04, 3775-1-05, 3775-1-06, 3775-1-07, 3775-1-08, 3775-15-01

Date of Submission for CSI Review: 02/16/2022

Public Comment Period End Date: 03/02/2022

Rule Type/Number of Rules:
- New/ 8 rules
- Amended/ 0 rules (FYR? N/A)
- No Change/ 0 rules (FYR? N/A)
- Rescinded/ 0 rules (FYR? N/A)

The Common Sense Initiative is established in R.C. 107.61 to eliminate excessive and duplicative rules and regulations that stand in the way of job creation. Under the Common Sense Initiative, agencies must balance the critical objectives of regulations that have an adverse impact on business with the costs of compliance by the regulated parties. Agencies should promote transparency, responsiveness, predictability, and flexibility while developing regulations that are fair and easy to follow. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

Reason for Submission
1. R.C. 106.03 and 106.031 require agencies, when reviewing a rule, to determine whether the rule has an adverse impact on businesses as defined by R.C. 107.52. If the agency determines that it does, it must complete a business impact analysis and submit the rule for CSI review.

Which adverse impact(s) to businesses has the agency determined the rule(s) create?

The rule(s):

a. ☒ Requires a license, permit, or any other prior authorization to engage in or operate a line of business.

b. ☒ Imposes a criminal penalty, a civil penalty, or another sanction, or creates a cause of action for failure to comply with its terms.

c. ☒ Requires specific expenditures or the report of information as a condition of compliance.

d. ☒ Is likely to directly reduce the revenue or increase the expenses of the lines of business to which it will apply or applies.

Regulatory Intent

2. Please briefly describe the draft regulation in plain language.

*Please include the key provisions of the regulation as well as any proposed amendments.*

The rules presented here are the Commission’s first batch of sports gaming rules, adopted pursuant to House Bill 29 of the 134th General Assembly (“HB 29”). As you know, that bill set a comprehensive licensing and regulatory framework for sports gaming, under the jurisdiction and broad rulemaking authority of the Commission. The bill also requires that this business sector starts by January 1, 2023, under the Commission’s regulation. To implement HB 29 in a timely manner, Commission staff is advancing the below rules for approval. The batch contains rules related to many of the important provisions that must be in place sooner in the process, including general provisions (Chapter 3775-1) and independent testing laboratories (rule 3775-15-01). In particular, rule 3772-15-01 will need to be in place well in advance of the sports gaming program’s start date, so that laboratories and can certified and equipment tested for compliance.

These rules use the same general procedural framework the Commission is accustomed to with respect to its regulations, while substantively using regulations in place in the statute or other jurisdictions that the regulated community is accustomed to.

- 3775-1-02, titled “Authority and purpose.” This rule covers, and its purpose is to provide, the general authority of the Commission to adopt rules ensuring the integrity of sports
gaming. The rule also further specifies how such rules will be adopted and contains authority for the Commission to delegate responsibilities to the Executive Director and other employees in accordance with how the Commission does so under its other regulatory frameworks.

- **3775-1-03**, titled “Construction.” This rule states, and its purpose is to provide, the principles of construction that will govern Ohio Adm.Code Agency 3775. These principles are in accordance with the Commission’s other regulatory frameworks.

- **3775-1-04**, titled “Waivers and variances.” This rule governs waivers and variances from Ohio Adm.Code Agency 3775. The rule allows the Commission to waive or vary from any provision of the rules, either on its own or upon a written request, if the waiver or variance is in the best interest of the public. However, the rule makes clear that no person may request to waive either the requirement to obtain a license or to pay a different fee amount than what is required for a license by rule. This rule also governs the form and process for all requests and waivers. Finally, the rule specifies that the Commission may condition any waivers that may be granted. The purpose of this rule is to give the Commission and the regulated community the flexibility to waive or vary from requirements under Ohio Adm.Code Agency 3775, while providing appropriate guardrails in so doing.

- **3775-1-05**, titled “Records retention.” This rule requires those sports gaming proprietors, mobile management services providers, management service providers, and suppliers regulated by the Commission to keep certain records related to their operation for five years from their date of creation, including business and financial records, as well as records related to the conduct of sports gaming in Ohio. Additionally, the rule sets shorter retention period for personnel files and advertising records at three and two years, respectively. The rule also requires these entities to organize these records and to produce them to the Commission, upon request. The purpose of this rule is to allow for a consistent expectation from the regulated community and the public in investigating past occurrences, while maintaining the orderly operation of sports gaming.

- **3775-1-06**, titled “Access to records, examinations under oath, and subpoena power.” This rule governs the Commission’s powers with respect to records, examinations, and subpoenas, and is consistent with the Commission’s powers under its other regulatory frameworks. The purpose of this rule is to ensure the Commission has the tools in place to ensure the integrity of sports gaming, consistent with its R.C. 3772.04 and 3775.02 statutory authority.

- **3775-1-07**, titled “Hearings.” This rule governs any administrative action taken under R.C. Chapter 3775 and provides that the provisions of R.C. Chapter 119 and Chapter 3772-21 of the Administrative Code will apply. The referenced rules currently apply in any administrative action taken under the Commission’s other regulatory frameworks.
The purpose of this rule is to ensure compliance with the due process of law as articulated in R.C. Chapter 119.

- **3775-1-08**, titled “Sanctions.” This rule states the reasons for which a person may be sanctioned, including violating the law, engaging in fraud or misrepresentation, failing to cooperate with the Commission or certain terms or conditions imposed by the Commission, failing to comply with commission attempts to investigate, or engaging in other conduct that undermines the integrity of sports gaming. The rule also spells out certain sanctions that may be imposed, including actions against the person’s license or the person’s conduct, fines, or monetary civil penalties. The purpose of the rule is to permit the Commission to effectively regulate the integrity of sports gaming by ensuring that those who violate sports gaming law are held accountable, pursuant to the Commission’s statutory authority.

- **3775-15-01**, titled “Independent testing laboratory certification.” This rule states that independent testing laboratories must be certified by the Commission to conduct the scientific testing and technical evaluations necessary to ensure compliance with R.C. Chapter 3775. This evaluation is based off current Ohio Adm.Code Chapter 3772-15, which applies to casino gaming equipment and ensures the independence, capability, and expertise of testing laboratories using standards common to the industry. In addition to those standards laid out in Chapter 3772-15, a testing laboratory would also need to undergo a supplemental evaluation specifically targeted at the laboratory’s ability to and expertise in testing and evaluating sports gaming equipment. To cover the cost of this evaluation, the laboratory would pay an additional $2,000 fee, and the supplemental sports gaming certification will run concurrently with the five-year terms for independent testing laboratories. The purpose of this rule is to meet R.C. 3775.02(E)’s requirement that sports gaming equipment undergo scientific testing or technical evaluation by the Commission or a competent and qualified independent testing laboratory.

3. Please list the Ohio statute(s) that authorize the agency, board or commission to adopt the rule(s) and the statute(s) that amplify that authority.

R.C. Chapter 119, 3772.031, 3772.04, 3775.01, and 3775.02.

4. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program?

If yes, please briefly explain the source and substance of the federal requirement.

Not Applicable.

5. If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.
This question is not applicable because the federal government does not regulate sports gaming in this state. Rather, sports gaming is permitted and controlled by Ohio’s Sports Gaming Control Act (i.e., R.C. Chapter 3775).

6. What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?

R.C. Chapter 3775 requires the Commission to ensure the integrity of sports gaming and to prescribe rules for how sports gaming should be conducted, including general provisions and independent testing laboratories. To ensure the integrity of sports gaming and requirements of R.C. Chapter 3775, it is imperative to protect sports gaming patrons. It is also imperative to ensure the integrity of sports gaming equipment by ensuring sports gaming equipment meets the statutory requirements of R.C. Chapter 3775. Moreover, these rules implement the General Assembly’s statutory directives for the Commission to stand up the regulatory framework for sports gaming by January 1, 2023, including through general provisions and independent testing laboratories regulations. Without the promulgation of these rules, the statutory mandate would be in jeopardy.

7. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?

Overall, the Commission will measure the success of these rules in terms of whether they help the Commission meet its statutory mission to ensure the integrity of sports gaming. This can be done in two ways: First, through evaluating whether the public benefit of implementing and enforcing these rules outweigh their administrative and business costs. And second, through analyzing the regulated community’s comments about requests for amendments to the rules or for waivers or variances to or from the rules.

8. Are any of the proposed rules contained in this rule package being submitted pursuant to R.C. 101.352, 101.353, 106.032, 121.93, or 121.931? If yes, please specify the rule number(s), the specific R.C. section requiring this submission, and a detailed explanation.

No.

Development of the Regulation

9. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation. If applicable, please include the date and medium by which the stakeholders were initially contacted.

Even before the passage of HB 29 on December 8, 2021, the Commission took several steps to engage with the stakeholder community regarding the sports gaming market and the development of potential regulations. This included several meetings, phone calls, and emails, exchanged with several different stakeholders, ranging from sports teams, Ohio’s current
casinos and racinos, sportsbook operators, small retail establishments, vendors and suppliers in the space, and—most importantly—Ohio’s general citizenry.

This engagement continued after the passage of HB 29, where the Commission then further provided information to stakeholders through more formal means. Soon after the bill’s passage, the Commission created its sports gaming webpage, where it posts relevant information related to sports gaming for all members of the public to see, including its draft rules, FAQs, and presentations it has made to the Commission, explaining both HB 29 and the process the Commission will use to implement the sports gaming regulations. Moreover, this website is not something stakeholders have to proactively check for updates, the Commission has created a sports gaming listserv to ensure all interested parties can be notified when the Commission posts new drafts of rules or new information on sports gaming. The link to the listserv is publicly available on the Commission’s website. To help build this listserv, the Commission also sent emails to its casino gaming and fantasy sports listservs, notifying those stakeholders (of which the Commission expects significant cross pollination) of the new sports gaming-specific listserv and how to sign up. All of these outreach efforts have led to additional calls, emails, and meetings, regarding the Commission’s draft regulations.

Using the listserv and website posting, the Commission is currently sending out each batch of rules for two rounds of informal stakeholder comment. In between each round staff is compiling and reviewing all comments received. These comments are then held up against HB 29 and evaluated based on whether they comport with the statute, help ensure the integrity of sports gaming, and whether any potential business impact of the rules or comments are justified. Changes made between rounds are redlined for stakeholders, so they can see the results of a comment round. The Commission plans to continue this pattern for stakeholders, allowing ample feedback from stakeholders even before the formal process starts with CSI while still moving quickly to accomplish a sports gaming market launch ahead of the January 1, 2023, mandate.

In reviewing these specific rules, the Commission’s website was updated and an email was sent on December 27, 2021, to the Commission’s sports gaming, fantasy sports, and casino gaming listservs. (Exhibits 1-6). Stakeholders were asked to submit any written comments on this rule by 5:00 p.m. on January 7, 2022. (Exhibit 1, 3, and 5). These stakeholders included employees or representatives from sports teams, casinos, racinos, small retail establishments, sportsbooks, suppliers, testing laboratories, integrity monitors, and general Ohio citizens. As discussed above, this first round of comments were reviewed by staff, changes were made with redlines, and the rule was sent back out to stakeholders. This second round sent out on January 18, 2022, with comments due by 5:00 p.m. on January 28, 2022. (Exhibits 7-8). Again, staff reviewed all comments, redlined any changes, and the rules were then prepared to begin the formal filing process, including consideration at a public meeting on February 16, 2022.
10. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?

As discussed in Question 9 above, the initial draft of Batch 1, itself, was a direct result of engagement with and input from the stakeholder community, and the initial draft included many thoughts, comments, and ideas provided by stakeholders. Additionally, the Commission received written comments from 14 individuals or entities, enclosed as Exhibits 9 (round 1) and 10 (round 2). As a result of those comments, the Commission made several changes to the draft rules, including:

- Clarifying that the foreign records which must be retained are those with foreign gaming regulatory bodies. 3775-1-05(A)(2).
- Reducing the record retention period to only three years for personnel files of sports gaming employee applicants or licensees. 3775-1-05(B).
- Reducing the record retention period to only two years and limiting the scope of advertisement materials which must be retained. 3775-1-05(C).
- Clarifying that all records required to be maintained must be organized or furnished by the records holder in a way that enables the commission to analyze records with reasonable ease, only when the records are requested by the commission. 3775-1-05(D).
- Further clarifying that engaging in misrepresentations must be “material” or “intentional” under the sanctions rule. 3775-1-08(A)(2).
- Specifying the type of records subject to this sanction rule as those required under Chapter 3775 of the Revised Code and the rules adopted thereunder. 3775-1-08(A)(7).
- Removing the provision which allowed the commission to consider a person’s finances in determining the amount of a fine. 3775-1-08(D).

11. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?

This question does not apply to these rules because no scientific data was necessary to develop or measure their outcomes. Instead, Commission staff reviewed the Commission’s statutory mandates, the rules currently in effect in its other regulatory frameworks, and looked at how other jurisdictions approached the topics in these rules. This included several jurisdictions stakeholders themselves recommended to the Commission, including New Jersey, Arizona, Colorado, Michigan, Indiana, and Illinois. Additionally, as outlined above, staff also reviewed, considered, and used the comments of stakeholders in developing these rules. In so doing, the Commission was able to use, as much as possible, rules the regulated community is accustomed to in other jurisdictions, with minor adaptations to remain in compliance with Ohio law and the Commission’s general procedures.
12. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn’t the Agency consider regulatory alternatives?

Commission staff carefully reviewed and considered the statutes and rules adopted in other jurisdictions, in particular those jurisdictions listed in Question 11. In reviewing these statutes and rules, staff considered past practices of the Commission in its other regulatory frameworks, any stakeholder comments, and the current trends in the sports gaming regulatory environment. As such, these rules are a conglomeration of the rules used in other jurisdictions with adaptations made for Ohio law and current industry trends.

13. Did the Agency specifically consider a performance-based regulation? Please explain.

Performance-based regulations define the required outcome, but don’t dictate the process the regulated stakeholders must use to achieve compliance.

While many of these rules are foundational requirements and thus not well suited to performance-based regulations, these rules do still allow for some indirect performance-based measurement. Specifically, Ohio Adm. Code 3775-1-04 allows persons to seek waivers and variances from these rules, which the Commission will evaluate on a case-by-case basis, including considering the past and present performance of persons engaged in sports gaming and their ability to comply with the law.

14. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?

This question largely does not apply to these rules because no other regulations in these areas currently exist with respect to sports gaming. However, the Commission has reached out to and is working closely with several of the other named agencies in HB 29 to ensure that the Commission is not promulgating rules or standards that conflict with or encroach upon the regulatory authority of other Ohio agencies, particularly the Ohio Lottery Commission. The Commission will continue to do so as the sports gaming rules make their way through the process.

15. Please describe the Agency’s plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.

The Commission ensures any issues that arise are funneled through the respective division director and vetted with the Legal Division before being brought to the Executive Director, so that he can coordinate a consistent response and have staff conduct outreach to the regulated community. Moreover, if necessary, any sanctions could only be approved by the Commission at a public meeting through a vote. Therefore, the regulated community can expect consistent and transparent compliance work.
Adverse Impact to Business

16. Provide a summary of the estimated cost of compliance with the rule. Specifically, please do the following:
   a. Identify the scope of the impacted business community; and
      The regulated business community consists of all persons who may conduct sports gaming in Ohio, including proprietor, services provider, supplier, or type C gaming host licensees. These include Ohio’s professional sports teams and events, casinos and racinos, as well as small retail establishments, gaming-related supply or service companies, and sportsbook operators. In addition, the regulated business community consists of independent testing laboratories.
   b. Identify the nature of all adverse impact (e.g., fees, fines, employer time for compliance,); and
      The nature of the potential adverse impact from these rules includes fees for testing laboratory certification. In addition to these fees, the testing laboratory will incur administrative costs related to the submission of applications. Moreover, entities involved in sports gaming may face costs for employee time and payroll, in particular related to the records retention rule, as well as potential fines for noncompliance, as laid out in the sanctions rule.
   c. Quantify the expected adverse impact from the regulation.
      The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a “representative business.” Please include the source for your information/estimated impact.

3775-1-02 “Authority and purpose.” (new)

The Commission does not anticipate a negative impact on business from this rule itself. However, because this rule provides the general authority of the Commission to adopt rules ensuring the integrity of sports gaming, it is filing this rule and has made it available for stakeholder comment. Any potential business impact would likely be triggered by other rules’ substantive provisions.

3775-1-03, titled “Construction.” (new)

The Commission does not anticipate a negative impact on business from this rule itself. However, because this rule provides the principles of construction that will govern Ohio Adm.Code Agency 3775, it is filing this rule and has made it available for stakeholder
comment. Any potential business impact would likely be triggered by other rules’ substantive provisions.

3775-1-04, titled “Waivers and variances.” (new)

Although certain administrative costs may be incurred in the submission of a waiver or variance request, nothing requires a person to seek a waiver or variance and the procedure is minimally burdensome, considering it would allow for a person to not have to comply with a rule that would otherwise apply. The Commission anticipates that this rule will overall have a strong positive impact on business because it allows the Commission to address the specific needs of a requester and view each request and requestor in an individualized manner, allowing for more flexible, performance- and risk-based regulations.

3775-1-05, titled “Records retention.” (new)

The adverse impact from this rule is the cost of retaining records, including those related to business and financial records, as well as records related to the conduct of sports gaming in Ohio. This may include costs related to document management systems and employee time and management. However, this impact is blunted by the fact that maintenance of records is a required rule the Commission must adopt under R.C. 3775.02(B)(4). Moreover, the rule largely mirrors the retention periods for the Commission’s other regulatory frameworks, except that it sets shorter retention period for personnel files and advertising records at three and two years, respectively, as a result of the stakeholder comment process. Finally, the maintenance of records is a necessary corollary to ensure those involved in the conduct of sports gaming comply with Chapter 3775 of the Revised Code and that the Commission can access the records necessary to ensure enforcement of the sports gaming law, pursuant to its R.C. 3772.05 authority. Therefore, this rule’s business impact is statutorily contemplated and a necessary corollary to the legalization and regulation of this market in the first place.

3775-1-06, titled “Access to records, examinations under oath, and subpoena power.” (new)

The costs associated with this rule would vary based on any subpoenas issued or testimony/records requested by the Commission but would include costs associated with producing documents or providing testimony. However, this rule merely provides some additional details to the Commission’s statutory authority under by R.C. 3772.05 and R.C. 3772.04. Therefore, the Commission anticipates little to no adverse impact to business.

3775-1-07, titled “Hearings.” (new)

The Commission does not anticipate a negative impact on business from this rule itself. This rule describes the hearing process in place should the Commission need to take administrative
action against a person subject to sports gaming law. This process is consistent with R.C. Chapter 119 and is the same as the process used with respect to the Commission’s other regulatory frameworks. As the hearing procedures afford the regulated community with consistent due process protections, the Commission does not anticipate an adverse business impact.

3775-1-08, titled “Sanctions.” (new)

The Commission anticipates an adverse business impact from this rule that will vary depending upon the performance of stakeholders under other rules. Sanctions, by their very definition, carry an adverse impact to a business. That being said, sanctions are an important tool in ensuring the integrity of gaming. They are also one of the Commission’s required rules under R.C. 3772.02(A)(9) and are further contemplated by R.C. 3772.04 and 3772.02(G)&(H). The Commission uses its sanction power not simply as a punishment but as a tool to ensure future compliance, and those facing sanctions have all the due process guarantees that Ohio law affords to them prior to sanctions being imposed. Finally, only those who violate R.C. Chapter 3775. or the rules adopted thereunder face potential sanctions.

3775-15-01, titled “Independent testing laboratory certification.” (new)

The Commission anticipates a minimal adverse impact to business as it relates to the certification of independent testing laboratories. While the Commission acknowledges the fee cost in this rule and the employer time and payroll necessary to under the certification, this cost is outweighed by the Commission’s statutory mandate under R.C. 3775.02(E) to certify independent testing laboratories. A testing laboratory is not required to be certified by the Commission to do business in Ohio, but instead only must seek certification if it intends to step into the shoes of the state and conduct the scientific testing or technical evaluation of sports gaming equipment. Moreover, certified testing laboratories receive the benefit of being the only entities that can provide testing for this equipment—thus creating a book of potential clients. Therefore, the burdens of this rule are all statutorily contemplated and voluntarily undertaken by a business.

17. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?

The regulatory intent justifies any adverse impact because HB 29 requires the Commission to ensure the integrity of sports gaming, specifically by licensing, regulating, investigating, and penalizing those involved in sports gaming in a manner consistent with the commission’s authority to do the same with respect to casino gaming. Moreover, the bill gives the Commission broad authority to adopt rules that cover topics such as licensure, certification,
record keeping, hearings, sanctions, and general consumer protections. As such, any business impact is justified as statutorily contemplated.

Moreover, the regulatory intent justifies any adverse impact because sports gaming is a highly regulated industry and is accustomed to detailed regulations in every jurisdiction. Unregulated gaming poses a threat to the public welfare and raises the potential for fraud and abuse. To mitigate these threats, the Commission, like other gaming regulatory bodies, is using its regulatory authority to establish a best practice framework in consultation with the regulated community. For a more detailed analysis of the individual justifications applicable to this specific rule, please see the answer given in Question 16.c.

**Regulatory Flexibility**

18. *Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.*

Yes, these rules provide exemption or alternative means of compliance through Ohio Adm. Code 3775-1-04, which permits the Commission, upon written request, to grant waivers and variances from the rules adopted under R.C. Chapter 3775, including these rules, if doing so is in the best interest of the public and will maintain the integrity of sports gaming in the State of Ohio.

19. *How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?*

To the extent R.C. 119.14 would apply to a violation of these rules, the Commission will provide verbal and written notification to the small business to correct the paperwork violation. Thereafter, the Commission would allow the small business a reasonable amount of time to correct the violation. The Commission and its staff would also offer any additional assistance necessary to aid in remediation of the violation. No administrative action would be taken unless the small business fails to remedy the violation within the reasonable time allotted by the Commission.

20. *What resources are available to assist small businesses with compliance of the regulation?*

The Commission and its staff are dedicated to working with members of the regulated community and the public to effectively and efficiently regulate sports gaming in this state. As a result, the following resources are available:

- Commission’s mailing address: 100 E. Broad St., 20th Floor, Columbus, OH 43215
- Commission’s toll-free telephone number: (855) 800-0058
- Commission’s fax number: (614) 485-1007
- Commission’s sports gaming webpage: [https://casinocontrol.ohio.gov/sportsgaming.aspx](https://casinocontrol.ohio.gov/sportsgaming.aspx), including FAQs, staff’s
presentation on HB 29 and the rule making process, and all currently available draft regulations.

- Commission’s email: info@casinocontrol.ohio.gov
- Commission’s sports gaming listserv: https://casinocontrol.ohio.gov/sportsgaming.aspx
Casino Gaming Stakeholders,

The Commission is sending out its first batch of sports gaming rules for comment. Because the Commission believes there is some overlap between its casino gaming and sports gaming stakeholders, it is also sending the rules out to this listserv. However, please note that after this, the Commission will be sending all sports gaming rules and other notifications out only through the sports gaming listserv. As such, if you would like to continue to receive these messages, please sign up here.

As outlined in the Commission’s original sports gaming presentation, rules are being batched out according to subject matter and stakeholders will have the opportunity to review and comment on rules twice before the formal statutory process starts. The rules being provided for comment in this set concern general provisions, provisional licensing, independent testing laboratories, and integrity monitoring providers.

The proposed versions of those rules can be found here.

Please feel free to forward this communication to anyone else you think may be
interested in these rules. If you would like to unsubscribe from this listserv, you may do so using the link located at the bottom of this email.

If after reading and reviewing these rules you would like to provide written comments, please email them to rulecomments@casinocontrol.ohio.gov by **January 7 at 5:00 PM**.

While you will have additional chances to comment on these rules, including when they are filed with the state's Common Sense Initiative Office ("CSI"), please note that it is much easier and faster for the Commission and for stakeholders to work out any questions or comments directly before the rules start the formal process with CSI.

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Fantasy Contest Stakeholders,

The Commission is sending out its first batch of sports gaming rules for comment. Because the Commission believes there is some overlap between its fantasy contest and sports gaming stakeholders, it is also sending the rules out to this listserv. However, please note that after this, the Commission will be sending all sports gaming rules and other notifications out only through the sports gaming listserv. As such, if you would like to continue to receive these messages, please sign up here.

As outlined in the Commission’s original sports gaming presentation, rules are being batched out according to subject matter and stakeholders will have the opportunity to review and comment on rules twice before the formal statutory process starts. The rules being provided for comment in this set concern general provisions, provisional licensing, independent testing laboratories, and integrity monitoring providers.

The proposed versions of those rules can be found here.

Please feel free to forward this communication to anyone else you think may be
interested in these rules. If you would like to unsubscribe from this listserv, you may do so using the link located at the bottom of this email.

If after reading and reviewing these rules you would like to provide written comments, please email them to rulecomments@casinocontrol.ohio.gov by January 7 at 5:00 PM.

While you will have additional chances to comment on these rules, including when they are filed with the state’s Common Sense Initiative Office (“CSI”), please note that it is much easier and faster for the Commission and for stakeholders to work out any questions or comments directly before the rules start the formal process with CSI.

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Sports Gaming Stakeholders,

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The proposed versions of those rules can be found [here](#).

Please feel free to forward this communication to anyone else you think may be interested in these rules. Additionally, anyone may sign up for the Commission’s sports-gaming listserv themselves [here](#). If you would like to unsubscribe from this listserv, you may do so using the link located at the bottom of this email.
If after reading and reviewing these rules you would like to provide written comments, please email them to rulecomments@casinocontrol.ohio.gov by January 7 at 5:00 PM.

While you will have additional chances to comment on these rules, including when they are filed with the state’s Common Sense Initiative Office (“CSI”), please note that it is much easier and faster for the Commission and for stakeholders to work out any questions or comments directly before the rules start the formal process with CSI.
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Sports Gaming Stakeholders,

The Commission is sending the first batch of sports gaming rules for a second round of stakeholder comments. The rules being provided for comment in this set concern general provisions, provisional licensing, independent testing laboratories, and integrity monitoring providers and were provided to stakeholders on December 28, 2021. The Commission has made changes to these rules, based upon feedback received from stakeholders. Added language is underlined and deletions are struck. Changes to formatting or organization are not denoted.

The proposed versions of those rules can be found [here](#).

Please feel free to forward this communication to anyone else you think may be interested in these rules. Additionally, anyone may sign up for the Commission’s sports-gaming listserv themselves [here](#). If you would like to unsubscribe from this listserv, you may do so using the link located at the
bottom of this email.

If after reading and reviewing these rules you would like to provide written comments, please email them to rulecomments@casinocontrol.ohio.gov by **January 28 at 5:00 PM.**

While you will have additional chances to comment on these rules, including when they are filed with the state’s Common Sense Initiative Office (“CSI”), please note that it is much easier and faster for the Commission and for stakeholders to work out any questions or comments directly before the rules start the formal process with CSI.
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Round 1 Stakeholder Comments

Batch 1 – General Provisions, Provisional Licensing, Certified Independent Testing Laboratories, and Certified Independent Integrity Monitors

To whom it may concern,

On behalf of Sports Information Services Ltd d/b/a Kambi, we would like to express gratitude for the opportunity to submit comments to the Ohio Casino Control Commission in relation to the Initial Sports Gaming Rules Batch 1. As a sportsbook provider with operations globally and across the US, we are looking forward to the launch of Ohio’s sports betting market and hope we can assist the Commission throughout the launch period.

Please see attached our submission on the rules for your consideration.

Let us know if it would be helpful to discuss our submission further, or if we can be of assistance in any other way.

Kind regards,

Stefan

Stefan Nigam
Legal and Regulatory Counsel
+44 7759 832617
www.kambi.com
UK: 3rd Floor, 1 Queen Caroline Street, London, W6 9HQ

------------------------------

From: Ohio Casino Control Commission <communications@casinocontrol.ohio.gov>
Sent: 27 December 2021 18:02
To: Stefan Nigam <Stefan.Nigam@kambi.com>
Subject: Sports Gaming Rules for Comment

EXTERNAL SENDER. Do not click links or open attachments unless you recognize the sender and know the content is safe. DO NOT provide your username or password.
Sports Gaming Stakeholders,

The Commission is sending out its first batch of sports gaming for comment. As outlined in the Commission’s original sports gaming presentation, rules are being batched out according to subject matter and stakeholders will have the opportunity to review and comment on rules twice before the formal statutory process starts. The rules being provided for comment in this set concern general provisions, provisional licensing, independent testing laboratories, and integrity monitoring providers.

The proposed versions of those rules can be found here.

Please feel free to forward this communication to anyone else you think may be interested in these rules. Additionally, anyone may sign up for the Commission’s sports-gaming listserv themselves here. If you would like to unsubscribe from this listserv, you may do so using the link located at the bottom of this email.

If after reading and reviewing these rules you would like to provide written comments, please email them to rulecomments@casinocontrol.ohio.gov by January 7 at 5:00 PM.

While you will have additional chances to comment on these rules, including when they are filed with the state’s Common Sense Initiative Office (“CSI”), please note that it is much easier and faster for the Commission and for stakeholders to work out any questions or comments directly before the rules start the formal process with CSI.
Kambi

Comments on 2021 Initial Sports Gaming Rules
Batch 1

7 January 2022
COMMENTS ON DRAFT REGULATIONS

On behalf of Sports Information Services Ltd d/b/a Kambi, I would like to express gratitude for the opportunity to submit comments to the Ohio Casino Control Commission (the Commission) in relation to the Initial Sports Gaming Rules Batch 1 (the Draft Regulations).

To give some context to these comments, and to clarify Kambi’s interest in the Draft Regulations, we note that Kambi is a premium sportsbook provider currently operational online and on-property across 16 US states, providing major operators/skins such as Barstool Sports/Penn National Gaming, Rush Street Interactive/BetRivers, Churchill Downs/TwinSpires, Parx Casino and Kindred/Unibet, with the technology and expertise they require to provide their varied target audiences with a premium sports wagering experience.

Kambi has been performing these sports wagering functions on a global scale for more than a decade, with operations in regulated markets across six continents. Kambi is therefore able to bring unique experience and expertise to Ohio’s online sports wagering market and a deep awareness of the importance of ensuring the integrity, sustainability and safety of sports wagering markets.

1) Rule 3772:1-16-04 | Duties of a certified independent integrity monitor provider.

(A) A certified independent integrity monitor provider must monitor all sports gaming conducted in this state in order to identify any unusual betting activities or patterns. A report must be provided to the commission, all sports gaming proprietors, and all certified independent integrity monitoring providers of its analysis and monitoring results for any unusual betting activities or patterns the independent integrity monitor provider identifies as suspicious. The report must be provided in a format approved by the executive director upon identification.

As currently drafted, Rule 3773:1-16-04 may be interpreted as requiring integrity monitor providers to actively monitor all sports gaming conducted in Ohio, as opposed to the approach taken in the vast majority of other US states, where operators/proprietors are responsible for monitoring activities on their own platform and then reporting such incidents to independent integrity monitor providers or the relevant regulator. While we understand and appreciate the importance of the integrity of sports gaming, we respectfully submit our concerns of this approach, and/or any language of the Draft Regulations that may lead to this interpretation.

Giving an independent integrity monitor provider full authority or obligation to monitor conducted sports gaming would negatively impact the effectivity of the operators'/proprietors’ own monitoring activities and daily operations, as well as leading to the risk that too much (often confidential or personal) data is being shared with the integrity monitor that goes above what is strictly necessary to identify any unusual betting activity or pattern.

Further, monitoring activity for integrity concerns requires analysis of a multitude of data points for which the Integrity Monitoring Provider would not possess the Operators’ internal context. Identifying a large wager on a game cannot be labelled as suspicious without knowledge including analysis of the suspicious patrons’ details, metrics, typical betting patterns as well as input from the trading team as to how the odds compare to the market, usual wager size on such a market and whether the participant/team has been involved in suspicious events previously. Allowing sports gaming proprietors to harvest their vast experience and knowledge in these areas prior to escalating to the Integrity Monitoring Provider increases the effectiveness of integrity alerts and investigations. Therefore, sports wagering operators are best placed to provide the first line analysis as they will have individual sports experts setting the lines...
and monitoring the market for each event and will also have far more robust structures and tools in place to monitor integrity risks. By way of example, Kambi is a 24/7/365 trading operation employing more than 300 trading, risk, and integrity management staff. An integrity monitoring provider will not have such resources attempting to run a similar service.

Moreover, credible sports gaming proprietors will be required to have internal controls as well as conduct monitoring activities. Pursuant to article 3775.10(A)(9) and (B)(2), a sports gaming proprietor shall ensure that all sports gaming is monitored as well as immediately report to the Commission any abnormal sport gaming activity or patterns that may indicate a concern regarding the integrity of a sporting event. Hence, a sports gaming proprietor will in all cases monitor all sports gaming conducted in the state in order to identify any unusual betting activity or pattern. Therefore, we believe that in order to limit the risks of negatively impacting the effectiveness of the operations and the risk that an inappropriate amount of data is being shared, a sports gaming proprietor should properly be the party sharing information of unusual betting activities or patterns to the independent integrity monitor provider.

The approach of having the sports gaming proprietor sharing such information as discussed is also in accordance with other major states providing sports wagering. Pursuant to section 13:69N-1.6(a) of the New Jersey regulations, “Sports pool operators shall have controls in place to identify unusual betting activity and report such activity to an integrity monitoring provider”.1 Pursuant to § 1408a.9(b) of the Pennsylvania regulations, “A sports wagering certificate holder or sports wagering operator must share information of unusual wagering activity or other suspicious wagering activity regarding sports wagering in this Commonwealth with: (1) Other sports wagering certificate holders or sports wagering operators, (2) The Board.”2

Given that this approach has been very successful in other major states providing sports wagering while not putting the operations of operators or the integrity of sports events at risk, we believe the same approach would be successful in the state of Ohio. We therefore respectfully submit that the Commission revise rule 3773:1-16-04 to remove any possibility that independent integrity monitors will be required to actively monitor all sports gaming activity in Ohio.

Yours faithfully,

Tommaso Di Chio
SVP Regulatory Affairs and Compliance
Sports Information Services Limited D/B/A Kambi

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1 Section 13:69N-1.6(a) of the New Jersey Administrative Code (https://www.nj.gov/oag/pe/docs/SportsBetting/FinalAdoptionRegisterPublishedOct7.pdf)

2 § 1408a.9(b) of the Pennsylvania Code (https://gamingcontrolboard.pa.gov/files/regulations/Final_Regulations_Master.pdf)
Hi Andromeda,

There was some miscommunication when I discussed with HR when we create an employee file. To clarify, we do retain information for non-hired applicants, such as interview summaries, math assessments, etc. Our records retention requirement for non-hired applicants is four years, which is less than the proposed five years of the new rule. Since claims regarding not being hired are filed in three years, we hold information an additional year to ensure we retain the necessary documentation. Due to the personal information contained in job applications and supporting documentation, we typically do not want to hold onto such documentation longer than the business needs.

Thank you for consideration of our comments regarding the rule. Please let me know if you have any questions.

Thank you,
Lisa

LISA POWERS
DIRECTOR OF COMPLIANCE
D: 216-297-4798
M: 513-667-4506
LISAPOWERS@JACKENTERTAINMENT.COM
100 PUBLIC SQUARE, CLEVELAND, OH, 44113
Hi Andromeda,

Thank you for the additional information.

I will include your comment as a stakeholder comment for rule 3772:1-1-05 that will allow staff to review for possible changes before the next draft is released. If anyone on staff need additional information on this comment, we will reach out to you.

Thanks,
Andromeda
A file is created after an individual is hired. The documents entered in a team member file are generated after they complete their onboarding documentation.

Thank you,
Lisa

LISA POWERS
DIRECTOR OF COMPLIANCE
D: 216-297-4798
M: 513-667-4506
LISAPOWERS@JACKENTERTAINMENT.COM
100 PUBLIC SQUARE, CLEVELAND, OH, 44113
WWW.JACKENTERTAINMENT.COM

---

From: Andromeda.Morrison@casinocontrol.ohio.gov <Andromeda.Morrison@casinocontrol.ohio.gov>
Sent: Monday, January 3, 2022 3:01 PM
To: Lisa Powers <LisaPowers@jackentertainment.com>; William.Cox@casinocontrol.ohio.gov
Cc: Allyson Miller <AllysonMiller@jackentertainment.com>; Adam Suliman <AdamSuliman@jackentertainment.com>
Subject: RE: Question on Sports Rule 3772: 1-1-05

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Hi Lisa,

Thank you for your inquiry. I wanted to seek some clarification from you as it relates to records. If a person has applied for a position with the casino and have been tentatively offered the position pending licensure with the Commission, would you have a file on that individual? Or, put another way, at what point would a file (i.e. documentation related to that person’s application and tentative offer of employment) be started on a potential employee?

Thanks,
Andromeda
Good Afternoon, Andromeda and Will,

I had a quick question regarding one of the rules in the first batch of sports gaming rules. Under Rule 3772:1-1-05 Records retention, paragraph A(6) requires personnel files for all sports gaming occupational license applicants or licensees.

I would not expect to create an employee file for a gaming occupational license applicant who had their license denied or an individual who does not take the position once their sports gaming occupational license is approved because they are not our employee. The related casino gaming rule requires personnel files for all employees.

Is there a reason this rule extends to applicants instead of employees?

Thank you!
Lisa
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Dear Ohio Casino Control Commission,

Thank you for the opportunity to comment on 2021 Initial Sports Gaming Rules. Miami Valley Gaming and Racing LLC would like to propose the following changes regarding 2021 Initial Sports Gaming Rules.

Thank you.

Sang Nguyen
Director of Compliance | Miami Valley Gaming & Racing LLC | 6000 State Route 63 Lebanon, OH 45036
Office: (513) 934-7196 | Email: Sang.Nguyen@mvgrllc.com | https://miamivalleygaming.com

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January 6, 2022

Ohio Casino Control Commission
100 E. Broad St Fl 20
Columbus, OH 43215

Re: 2021 Initial Sports Gaming Rules

Dear Ohio Casino Control Commission,

Thank you for the opportunity to comment on 2021 Initial Sports Gaming Rules.

Miami Valley Gaming and Racing LLC would like to propose the following changes regarding 2021 Initial Sports Gaming Rules:

3772:1-1-05

(A)(7) Any materials used to advertise, publicize, or otherwise promote Terms and conditions related to a sports gaming promotion offered in this state;

Given the length of time required, the current language could be read to include non-material items such as digital images used to advertise on social media, etc. We would suggest limiting this to promotional terms which might be necessary to resolving patron dispute matters.

(A) (8) Records related to the conduct of sports gaming in this state; and

(A) (9) Any other books, records, or documents the commission requires, in writing, to be retained and maintained.

Given the length of time required, the current language of subsections (A)(8) and (A)(9) is extremely broad and open ended and could result in the retention of non-material items. To avoid unnecessary retention of records, these categories should be more narrowly tailored to clarify what specific records are required to be retained.

(B) All records required to be maintained must be organized or furnished by the record holder in a manner that enables the commission to locate, inspect, review, and analyze the records with reasonable ease and efficiency.

The additional phrase is intended to address provision of records that may need to be retrieved from back-ups or archives that could require the record holder to facilitate access.

3772:1-1-06

Consistent with the authority to do the same with respect to fantasy contests, skill-based amusement machine operations, and casino gaming and in the discharge of any duties imposed by Chapters 3772. or 3775. of the Revised Code, the commission may utilize enforce its authority to access sports wagering records and conduct examination under oath as well as its subpoena power in accordance with section 3772.05 of the Revised Code, division (D) of section 3772.04 of the Revised Code, and rule 3772-2-06 of the Administrative Code.

The scope of the Commission’s jurisdiction pursuant to the statute is limited to the conduct of sports gaming. For entities currently regulated by the Lottery Commission, some of the items subject to potential sanction in this section could be read to include matters outside the jurisdiction of the Commission. The additional language
clarifies the scope of the Commission’s authority to avoid potential conflict between regulations and regulatory bodies.

3772:1-1-08

(A) The commission, at a meeting held under section 3772.02 of the Revised Code, may discipline any licensee, applicant, or other person subject to the jurisdiction of the commission pursuant to Chapter 3775. of the Revised Code for any of the following actions or omissions relating to the conduct of sports gaming: …

(B) The commission, at a meeting held under section 3772.02 of the Revised Code, has the authority to impose any discipline set forth in Chapters 3772. or 3775. of the Revised Code and any rules adopted thereunder with respect to the conduct of sports gaming, including any of the following: …

The scope of the Commission’s jurisdiction pursuant to the statute is limited to the conduct of sports gaming. For entities currently regulated by the Lottery Commission, some of the items subject to potential sanction in this section could be read to include matters outside the jurisdiction of the Commission. The additional language clarifies the scope of the Commission’s authority to avoid potential conflict between regulations and regulatory bodies.

Miami Valley and Gaming LLC urges the Ohio Casino Control Commission to examine the impacts of these proposed rules on Sports Gaming in Ohio and consider the points made in this comment.

Thank you for providing the opportunity to present these comments on 2021 Initial Sports Gaming Rules.

Sincerely,

Sang Nguyen
Director of Compliance
Miami Valley Gaming and Racing LLC
513-934-7196

cc: Craig Robinson, MVGR
Roger Bryant, MVGR
John Worthington, DNC
Luisa Woods, DNC
Lou Frascogna, CDI
Chad Riney, CDI
Andrew Silver, CDI
Please find attached Haslam Sports Group’s comment to Batch 1 of the 2021 Initial Sports Gaming Rules. Please do not hesitate to reach out if you have any questions or would like to discuss.

Ted Tywang
Vice President, General Counsel
CrossCountry Mortgage Campus
76 Lou Groza Blvd • Berea, OH 44017
Office: (440) 824-6245
TTYwang@haslamsports.com
www.HaslamSports.com

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January 6, 2022

EMAILED TO rulecomments@casinocontrol.ohio.gov

Re: 2021 Initial Sports Gaming Rules – Batch 1 Comments

Dear Ohio Casino Control Commission,

Thank you for your expediency in releasing the first batch of the Initial Sports Gaming Rules, and for providing the opportunity for comment. Haslam Sports Group (Cleveland Browns and Columbus Crew) look forward to engaging with and supporting the Commission in its work to develop and implement an optimal legalized sports betting regulatory framework for Ohio. Below are two recommendations we are respectfully submitting with respect to the Batch 1 Initial Sports Gaming Rules.

- Rule 3772:1-1-05 | Records retention. (A)(7) “Any materials used to advertise, publicize, or otherwise promote sports gaming in this state”
  - Haslam Sports Group recommends, unless required by statute, removing Rule 3772:1-1-05 (A)(7) as written, because requiring 5 years of records relating to any marketing materials is likely to become administratively burdensome for operators to maintain in a way that “enables the commission to locate, inspect, review, and analyze the records with reasonable ease and efficiency” as is required by the draft Rule.
  - Haslam Sports Group does understand the need for administrative review of advertisements, and would support a less burdensome requirement to maintain salient marketing records for a shorter period of time. More specifically we would recommend the Rule require that “marketing material used to directly advertise, publicize or otherwise promote sports gaming in this state be maintained for 1 year from the last use of the material in the public realm.”

- Rule 3772:1-1-99 | Provisional Licenses. (H) “Provisional licenses are valid up to three months and may be renewed one time for up to three additional months.” and (I) “A provisional license may be renewed at the direction of the executive director to avoid a lapse in licensure.”
  - Haslam Sports Group recommends rewording Rule 3772:1-1-99 (I) to read: “A provisional license may be renewed more than one time, at the direction of the executive director, to avoid a lapse in licensure of a currently operational sports betting operator.”

Thank you again for your consideration and leadership.

Sincerely,

Ted Tywang
General Counsel
Haslam Sports Group
On behalf of Adam Berger, I am sending you the attached correspondence. If you have any questions or concerns, please contact Adam Berger (adam.berger@duanemorris.com).

Thank you,
MaryKay Duff

For more information about Duane Morris, please visit http://www.DuaneMorris.com

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January 6, 2022

VIA EMAIL (RULECOMMENTS@CASINOCONTROL.OHIO.GOV)

Ohio Casino Control Commission
100 East Broad Street
20th Floor
Columbus, OH 43215

Re: Sports Gaming Rule Comments

Dear Sir/Madam:

This firm represents FBG Enterprises Opco, LLC d/b/a Fanatics Betting & Gaming (“Fanatics”). Fanatics, through the leadership of its highly experienced executive team comprised of former leaders of top tier sportsbook operators, is planning to launch retail and mobile sports betting operations in the coming year in various jurisdictions, including Ohio. Based on this experience, Fanatics believes it can provide the Ohio Casino Control Commission (“Commission”) with constructive comments to make the rulemaking process as productive and efficient as possible. Accordingly, on behalf of Fanatics, we provide the following comments, organized by rule number, to the 2021 Initial Sports Gaming Rules - Batch 1.


As drafted, subsection (B) of this rule limits the ability of a party to seek a waiver from their licensing obligations. Fanatics understands and agrees with this concept in principle, but suggests that a carve-out be included to afford the Commission the discretion to issue a waiver if such a waiver is contemplated by Ohio law or the rules of the Commission. Such an addition does not reduce a party’s licensing obligations, but merely affords the Commission the right to grant a waiver where it deems appropriate and justified by law or rule.

This rule provides that holders of various categories of licensure, including management services providers, maintain significant records related to their sports gaming operations for a period of at least five (5) years. Given the vast array and volume of documents required to be held, Fanatics suggests that subsection (A) of this rule be amended to expressly permit all records contemplated under this rule to be stored in an electronic format so long as such electronic format is secure from theft, loss or destruction. This will allow for a more efficient storage mechanism for license holders and allow license holders to more quickly provide information to the Commission upon request.

Rule 3772:1-16-01 – Independent integrity monitor provider certification.

As Fanatics understands this rule, management services providers and other sports gaming operators are expected to share wagering data with independent integrity monitor providers in real-time. Based on the experiences of Fanatics’ executive team, such a requirement would pose significant technical challenges, unnecessarily jeopardize data security protection and would not meaningfully advance the regulatory objectives of maintaining the integrity of sports gaming in Ohio. To the last point, the vast majority of jurisdictions that have legalized sports gaming have not imposed such data sharing requirements. Rather, the more common approach is to place the onus on sports gaming operators to ensure the integrity of their operations. Accordingly, Fanatics suggests that the Commission amend this rule to alter the role of independent integrity monitor providers such that their focus is to assist sportsbook operators in protecting against and identifying suspicious wagering activities. Further, a line of communication should be established whereby operators can notify independent integrity monitor providers of suspicious wagering activities that they identify, and the independent integrity monitoring service providers can work with the Commission to confirm that all relevant operators are notified of such activities. As is the case in other states, Fanatics suggests the rule should be amended to ensure that operators work with independent integrity monitoring providers to ensure that each license holder has established adequate internal controls and procedures providing for sports gaming operations that meet industry standards in terms of integrity. If a license holder is able to establish, with the assistance of an independent integrity monitor provider, that they meet this standard, such increased data-sharing as contemplated by the rule is not necessary.
Thank you for your consideration and please do not hesitate to contact us should you wish to discuss our comments.

Very truly yours,

[Signature]
Adam Berger

AB
Good day, BMM Testlabs has reviewed the proposed draft to the Sports Gaming Rules and commends the Commission on making these changes that will allow for sports betting in the State.

BMM has no formal comments at this time and thanks the Commission for the opportunity to comment on this draft.

Please keep BMM in mind for any future regulatory reform efforts. We are always happy to provide insight.

Erika DiNapoli | Government Affairs Analyst
BMM Testlabs | 815 Pilot Road, Suite G, Las Vegas, NV 89119
t: +1 702 407 2420 | f: +1 702 407 2421
erika.dinapoli@bmm.com | www.bmm.com

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Please find attached the response from the International Betting Integrity Association (IBIA).

The association would welcome discussion with the OCCC on this matter and any additional integrity issues.

Regards

Jason Foley-Train
Independent Policy, Analytics and Communications Adviser/Consultant
+44 7552 627958

Sent from Mail for Windows 10

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IBIA response: Ohio Casino Control Commission draft sports gaming rules (Batch 1) consultation

January 2022
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Chapter 1: Introduction

1. The International Betting Integrity Association (IBIA) is a not-for-profit trade body representing the betting integrity interests of many of the largest licensed retail and online sports betting operators in the world. The association welcomes the opportunity to comment on the Ohio Casino Control Commission’s (OCCC) draft rules for sports betting following the passing of House Bill 29.2

2. The association’s members are licensed and operate within various regulatory frameworks for gambling around the world; their business operations and focus are truly international. IBIA’s membership is made up of 85+ retail and online/remote sports betting brands, including many globally recognised household names, operating across six continents.

3. Those operators have US$137bn of global betting turnover per annum through their regulated businesses and account for c.30% of all (retail and online) regulated sports betting activity and c.40% of all regulated online sports betting globally. In some markets, such as Great Britain, IBIA members’ betting turnover can be as high as 90% of the national licensed betting market.

4. IBIA’s principal goal is to protect its members, consumers and partners, such as sports bodies, from fraud caused by the unfair manipulation of sporting events and associated betting. The organisation combats this fraud with evidence-based intelligence, principally obtained from its global monitoring and alert system, which identifies suspicious activity on its members’ markets.

5. The association has longstanding information sharing partnerships with leading sports bodies and gambling regulators around the world to utilise that data to investigate and prosecute corruption. That approach has been successful in helping to drive criminals away from regulated markets, creating a safe and secure environment for our members’ customers and sports.

6. The association, which was established in 2005 and formerly known as ESSA, is the leading global voice on integrity for the licensed betting industry. It represents the sector at high-level policy discussion forums and maintains a policy of transparency and open debate, publishing quarterly integrity reports analysing activity reported on the IBIA monitoring and alert platform.3

7. In particular, IBIA holds seats on betting integrity policy groups run by the International Olympic Committee (IOC), European Commission, UN and the Council of Europe, amongst others. The association also engages in mitigating actions with a range of partners, such as player betting education programmes and academic studies on the causes of, and solutions to, match-fixing.

8. IBIA has followed the recent regulation of betting in the United States and has, or is in the process of, agreeing suspicious betting data sharing agreements with many of the relevant state authorities,4 notably those that require betting operators to be part of an integrity monitoring system, as in Ohio.5 IBIA welcomes the opportunity to provide its experience and knowledge of the global sports betting market and related integrity issues to this OCCC consultation.

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1 https://ibia.bet/
3 https://ibia.bet/resources/
4 IBIA is currently approved in New Jersey, Colorado, Michigan, Indiana, New York and Arizona. We also have four other applications submitted and pending at the time of writing.
5 House Bill 49 section 3775.02 (I) (1) and draft sports gaming rules (Batch 1)
Conflicts of interest

25. The association would welcome the opportunity to discuss these issues in greater detail with the OCCC; they formed the basis of IBIA’s discussions with the Alcohol and Gaming Commission of Ontario (AGCO), which initially proposed in its draft betting rules that monitoring bodies should share integrity data. IBIA provided evidence-based arguments explaining why an alternative mechanism was preferable and has welcomed the amendment to the AGCO’s approach.8

26. The AGCO continues to require that its licensed operators be part of an independent integrity monitor, but no longer enforces engagement between monitoring bodies, moving to a reporting approach which puts the statutory regulator in receipt and control of sensitive integrity data from the start of any suspicious betting alert process. This is supported by IBIA and its members.

27. Statutory independent regulatory bodies have far greater scope and justification to collate and share such sensitive data, which can be restricted in content and anonymised as it determines. It may also assess and reject alert sharing requests it doesn’t deem warranted. This is particularly pertinent with regard to personal customer data protection and potential legal action that might emanate from any direct data sharing between monitoring bodies and its misuse.

28. That is the standard approach outside of the US, whether that be operators communicating alerts directly to the regulator or through monitoring bodies: a statutorily centralised alert data administrator within the regulator receives, considers and distributes alert data as it determines. This is the process adopted in the Netherlands, Germany, Czech Republic, and soon in Ontario, where operators are required to be part of an independent integrity monitoring body.9

29. In line with that, IBIA believes that the collation and exchange of sensitive integrity data is a regulatory coordinating matter from beginning to end. As such, the association suggests that Rule 3772:1-16-04 (A) be amended as follows:

“(A) A certified independent integrity monitor provider must monitor sports gaming conducted in this state by the sports gaming proprietors it has contracted with in order to receive reports of any unusual or suspicious betting activities or patterns from those sports gaming proprietors. A report of unusual or suspicious betting must be provided to the commission by the certified independent integrity monitor. The commission will then determine if it is necessary to share that report, in part or full, with other parties such as sports, sports gaming proprietors, certified independent integrity monitoring providers and any other relevant parties. The report must be provided in a format approved by the executive director upon identification.”

30. The association would welcome discussion with the OCCC on this matter and any additional integrity issues.

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8 https://www.agco.ca/sport-and-event-betting-integrity
Chapter 2: Sports Gaming Rules (Batch 1)

Rule 3772:1-16-01 | Independent integrity monitor provider certification

9. Whilst there appears to be no explicit reference either way, neither House Bill 29 nor the draft sports gaming rules appear to limit the number of independent integrity monitoring providers. IBIA contends that creating a monopoly body would be unnecessary and counterproductive, and subject to meeting the OCCC’s operational requirements, supports that licensed betting operators be permitted to choose an appropriate integrity partner within the regulated market structure.

10. In some cases, this will involve the continuation of a positive and longstanding engagement on integrity covering a global market monitoring operation, as is the case with IBIA and its members. Maintaining that engagement across US states that regulate betting is therefore of potential benefit and desirable in the context of establishing a cohesive and extensive integrity monitoring data set that would be difficult to achieve via a more fragmented operational approach.

11. With regard to the various fees (certification and renewal) and potential additional investigatory costs, the association notes that this varies across US states requiring operators to be part of an integrity monitoring provider, and where those providers have had no application fee applied or range up to a nominal $500 in New Jersey, Colorado, Michigan, Virginia and Tennessee.

12. IBIA and its members fully support necessary and proportionate probity assessment process and related costs that serve to maintain the integrity of the regulated market. However, whilst it is noted that some other states have higher fees and that market protection is paramount, integrity monitoring and related costs should also be assessed on an evidence and risk-based approach.

13. From a market risk assessment, IBIA reported 39 cases of suspicious betting on US sports during 2017-21, averaging at around 8 cases per year. That includes an anomalous 17 cases of suspicious betting during covid hit 2020. The other four years stand at 22 cases, or 5-6 cases per year. These cases are primarily in tennis and where, as with many other sports, the association already has a longstanding positive relationship with that sport to share and investigate that alert data.

14. The advantages of integrity monitoring bodies in protecting markets and sports are widely understood in Europe, and where there are no fees for monitoring provider engagement and regulatory interaction. Market integrity protection and wider investigation costs are essentially covered within the general betting operator licensing fees, providing a more holistic approach.

15. In practice, integrity monitoring provider fees are in any event inevitably passed on to betting operators as additional costs they pay to the monitor, and then passed to the regulator. This could therefore be seen as adding unnecessary fiscal and administrative processes, both for the regulator and monitoring bodies; this is especially the case for not-for-profit bodies such as IBIA.

16. Whilst IBIA and its members fully support a robust independent integrity monitor certification process, for the reasons outlined, the association asks that the OCCC reassess the scope, level and appropriateness of the monitor fee, currently set at $5,000 and renewable after 5 years, against the state’s wider licensing income, necessity for the fee and possible alternative approaches.
Rule 3772:1-16-02 | Compliance investigation of an independent integrity monitor provider

17. The OCCC compliance investigation seeks to establish if the independent integrity monitor provider has “Policies and procedures to determine if they prevent conflicts of interest, provide for segregation of duties, detect and prevent fraud, and ensure impartiality”. IBIA contends that removing conflicts of interest from the monitoring process, notably commercial, is paramount.

18. The Alcohol and Gaming Commission of Ontario (AGCO) has moved to address this important issue by establishing a specific requirement within its Standards that: “Independent integrity monitors shall not have any perceived or real conflicts of interests in performing the independent integrity monitor role, including such as acting as an operator or as an oddsmaker.”

19. This does not impact bodies solely focused on betting integrity monitoring such as IBIA or the Global Lottery Monitoring System (GLMS), but serves to discourage and disqualify parties who may, for example, offer trading services to betting operators, from seeking to also incorporate integrity services within that platform (and where potential commercial conflicts may arise).

20. IBIA supports the AGCO approach and encourages the OCCC to consider adopting this wording and to amending its rules accordingly.

Rule 3772:1-16-04 | Duties of a certified independent integrity monitor provider

21. IBIA has, since its inception, promoted the benefits of sports betting operators being part of an integrity monitoring body in its engagement with policymakers and regulatory authorities around the world. An increasing number of regulatory authorities have either implemented this as part of their operator licensing arrangements or acknowledged the benefits and subsequently advocated that betting operators should give due consideration to participating in an integrity network.

22. IBIA therefore welcomes that this provision has been embraced in Ohio – as in some other US states - and that it has been incorporated in the draft OCCC sports gaming rules. In supporting this approach, some US states have additionally required that integrity monitoring bodies share information regarding unusual or suspicious bets identified by the respective monitoring systems with all other certified integrity monitoring bodies operating in those states.

23. It is understandable that this model has been seen as having potential benefits in advancing the integrity evaluation. However, this approach is not the norm globally, and where the regulatory authority is customarily the initial recipient of reports from operators and/or monitoring bodies. The regulator then considers that data and determines whether it should be shared more widely.

24. There are a range of reasons why this alternative approach is favoured by non-US regulators - and supported by IBIA and its members - and why the requirement to share sensitive integrity data directly with other monitoring bodies, instead of via a regulatory authority, poses a number of issues and concerns, which have been acknowledged by non-US regulatory authorities, including:
   - Materially differing approaches to determining alerts
   - Scope of the data to be shared
   - Unjustified alerts
   - Security and misuse of data requests

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6 Rule 3772:1-16-02 - Section (C) (2)
7 https://www.agco.ca/sport-and-event-betting-integrity
IBIA response: Ohio Casino Control Commission sports gaming rules (Batch 1) consultation

- **Conflicts of interest**

25. The association would welcome the opportunity to discuss these issues in greater detail with the OCCC; they formed the basis of IBIA’s discussions with the Alcohol and Gaming Commission of Ontario (AGCO), which initially proposed in its draft betting rules that monitoring bodies should share integrity data. IBIA provided evidence-based arguments explaining why an alternative mechanism was preferable and has welcomed the amendment to the AGCO’s approach. 

26. The AGCO continues to require that its licensed operators be part of an independent integrity monitor, but no longer enforces engagement between monitoring bodies, moving to a reporting approach which puts the statutory regulator in receipt and control of sensitive integrity data from the start of any suspicious betting alert process. This is supported by IBIA and its members.

27. Statutory independent regulatory bodies have far greater scope and justification to collate and share such sensitive data, which can be restricted in content and anonymised as it determines. It may also assess and reject alert sharing requests it doesn’t deem warranted. This is particularly pertinent with regard to personal customer data protection and potential legal action that might emanate from any direct data sharing between monitoring bodies and its misuse.

28. That is the standard approach outside of the US, whether that be operators communicating alerts directly to the regulator or through monitoring bodies: a statutorily centralised alert data administrator within the regulator receives, considers and distributes alert data as it determines. This is the process adopted in the Netherlands, Germany, Czech Republic, and soon in Ontario, where operators are required to be part of an independent integrity monitoring body.

29. In line with that, IBIA believes that the collation and exchange of sensitive integrity data is a regulatory coordinating matter from beginning to end. As such, the association suggests that Rule 3772:1-16-04 (A) be amended as follows:

“(A) A certified independent integrity monitor provider must monitor sports gaming conducted in this state by the sports gaming proprietors it has contracted with in order to receive reports of any unusual or suspicious betting activities or patterns from those sports gaming proprietors. A report of unusual or suspicious betting must be provided to the commission by the certified independent integrity monitor. The commission will then determine if it is necessary to share that report, in part or full, with other parties such as sports, sports gaming proprietors, certified independent integrity monitoring providers and any other relevant parties. The report must be provided in a format approved by the executive director upon identification.”

30. The association would welcome discussion with the OCCC on this matter and any additional integrity issues.

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8 [https://www.agco.ca/sport-and-event-betting-integrity](https://www.agco.ca/sport-and-event-betting-integrity)
Hi All,

Attached please find our thoughts on Batch 1 of the Commission’s initial Sports Gaming Rules. PointsBet provides a unique betting experience, and we are very excited at the opportunity to bring it to the State of Ohio. Thank you for the opportunity to participate in this process and to introduce our company. If we may be of any assistance as the Commission undertakes this monumental regulatory responsibility, please do not hesitate to contact us.

Thanks,

Andrew Moreno
Director of Compliance

PointsBet USA
andrew.moreno@pointsbet.com
www.pointsbet.com

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January 7, 2022

Matthew T. Schuler
Executive Director
Ohio Casino Control Commission
100 E. Broad St., 20th Fl.
Columbus, OH 43215
Sent via Email: rulecomments@casinocontrol.ohio.gov

Re: Sports Gaming Rules – Batch 1 & Introduction

Dear Executive Director Schuler,

PointsBet is excited to start its relationship with the state of Ohio and the Ohio Casino Control Commission ("Commission") and appreciates the agency’s measured approach to the rulemaking process. We have had the opportunity to review Batch 1 of the Commission’s initial Sports Gaming Rules. And upon doing so, we do not have any comments or suggestions to offer at this time.

Additionally, we would like to briefly introduce the company to the Commission. At PointsBet, we pride ourselves on being a cutting-edge global Sports Wagering and iGaming Operator featuring our own proprietary technology. This allows us to provide a unique betting experience and to pursue our goal of becoming a leader in in-game betting.

Founded in Australia, PointsBet is rapidly growing across the United States and is thrilled with the possibility of adding Ohio to an already strong market portfolio. We are also the Official Sports Betting Partner of NBC Sports, one of the nation’s biggest media outlets.

Earning the privilege to participate in Ohio’s newly enacted sports-gaming industry is a top priority for the company. Consequently, we will continue to engage with the Commission throughout the rulemaking process and look forward to reviewing each successive batch of initial rules as they become available. Our hope is to be a resource to the agency and aid anyway that we can to make the licensing and launch processes as successful as possible in the Buckeye State.

Thank you for the opportunity to participate in this process and to introduce our company. If we may be of any assistance as the Commission undertakes this monumental regulatory responsibility, please do not hesitate to contact us.

Sincerely,

[Signature]
Andrew Moreno
Director of Compliance
Dear Executive Director Schuler,

Thank you for the opportunity to provide comments on the Ohio Casino Control Commission’s Initial Sports Gaming Rules – Batch 1. Attached please find our comments and please do not hesitate to contact me if you have any questions or need any additional information from us regarding our comments.

Sincerely,

Andrew J. Winchell
Director, Government Affairs
Mobile: 845.325.6235
Email: andrew.winchell@fanduel.com

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Cory Fox
cory.fox@fanduel.com

January 7, 2022

Via Email to rulecomments@casinocontrol.ohio.gov
Matt Schuler, Executive Director
Ohio Casino Control Commission
100 East Broad Street, 20th Floor
Columbus, OH 43215


Dear Executive Director Schuler:

I write to provide comments on behalf of FanDuel Group, Inc. (“FanDuel”) regarding the Ohio Casino Control Commission’s (“Commission”) proposed “2021 Initial Sports Gaming Rules, Batch 1 – General Provisions, Provisional Licensing, Certified Independent Testing Laboratories, and Certified Independent Integrity Monitors” (“Proposed Rules”). Based on our extensive experience as an operator in the online casino gaming, sports betting and fantasy sports industries and collaborator with regulators of sports betting in many states in the development of their regulations, we offer constructive feedback on ways in which the Proposed Rules can be improved for effectiveness and consistency with other state regulations.

Following the Supreme Court’s decision to strike down the Professional and Amateur Sports Protection Act (PASPA) in May of 2018, FanDuel has now become the leading sports wagering operator, and the largest online real-money gaming operator, in the United States. FanDuel currently operates twenty-two (22) brick and mortar sportsbooks in thirteen (13) states and online sports wagering in twelve (12) states. We appreciate the opportunity to share our perspective on sports betting regulation with you and have arranged our comments in two parts. Part I is focused on issues of concern in the Proposed Rules that may significantly impact the ability of sports wagering operators to successfully operate in Ohio. Part II is focused on requests for clarification and minor grammatical edits.

All changes will be shown as follows: proposed additional text will be bolded and underlined and all text to be deleted will be bolded, bracketed, and struck through.

Part I – Operational Concerns.
Issue 1 – Requirement to maintain all correspondence to or from any local, state, or federal governmental agency, foreign and domestic.

Section 3772:1-1-05(A)(2) of the Proposed Rules requires each sports gaming proprietor, mobile management services provider, services provider, and supplier to retain records of all correspondence “to or from the commission or any local, state or federal governmental agency, foreign and domestic, for five years. This is not a standard requirement in other jurisdictions, and we suggest that the Commission consider removing it. However, if the Commission decides to keep such a requirement, we suggest that it makes changes to conform with a similar requirement in Michigan[^1], and remove the requirement to retain correspondence with foreign entities. To address this concern, we suggest the following edits:

Preferred:
Strike 3772:1-1-05(A)(2) in entirety.

Alternative:
Rule 3772:1-1-05(A)(2):
“(A) Unless otherwise required by Chapter 3775. of the Revised Code or any rules adopted thereunder, each sports gaming proprietor, mobile management services provider, services provider, and supplier must retain and maintain, in a place secure from theft, loss, or destruction, all the records required to be maintained by Chapter 3775. of the Revised Code or the rules adopted thereunder for at least five years from the date of the record’s creation, including:

…
(2) Correspondence, including reports, to or from the commission or any local, state, or federal governmental agency [foreign and domestic];

Issue 2 – Data sharing with integrity monitors.

In Sections 3772:1-16-01 and 3772:1-16-04 of the Proposed Rules, the Commission details some of the responsibilities of independent integrity monitors. However, it appears that these responsibilities, and the requirements placed upon sports gaming proprietors as a result, are significantly different than generally found in other jurisdictions. It appears that these provisions are intended to require all wagering data to be provided to the independent integrity monitoring provider from the sports gaming proprietors. However, we suggest Ohio follow a similar process as states like Michigan[^2], where sports gaming proprietors are required to report any unusual betting activity to the independent integrity monitor, who in turn shares reports of suspicious wagering activity with the Commission and other sports gaming proprietors. To address this concern, we suggest the following edits:

[^1]: Michigan Administrative Code R432.766
[^2]: Michigan Administrative Code R432.743
Rule 3772:1-16-01(A):
“(A) An independent integrity monitor provider must request to be certified by the commission to [scientifically analyze and evaluate sports gaming data, sports gaming lines, and wagering activity] receive and share reports of unusual betting activity it has received from the sports gaming proprietors it has contracted with for compliance with Chapter 3775. of the Revised Code and the rules adopted thereunder.”

Rule 3772:1-16-04(A):
“(A) A certified independent integrity monitor provider must monitor [all] sports gaming conducted in this state by the sports gaming proprietors it has contracted with in order to [identify] receive reports of any unusual betting activities or patterns from the sports gaming proprietors it has contracted with. A report must be provided to the commission, all sports gaming proprietors, and all certified independent integrity monitoring providers of its analysis and monitoring results for any unusual betting activities or patterns the independent integrity monitor provider identifies as suspicious. The report must be provided in a format approved by the executive director upon identification.”

Part II - Requests for Clarification and Minor Grammatical Corrections.

•  **Issue 1 – Word choice of “limited” versus “limiting.”**

In section 3772:1-1-08(C) of the Proposed Rules, the Commission uses the word “limited” when it appears that the word “limiting” is more appropriate for the context of that provision. To address this concern, we suggest the following edit:

*Rule 3772:1-1-08(C):*
“(C) Without in any manner [limited] limiting the authority of the commission to impose the level and type of sanction it may consider appropriate, the commission may take into consideration:…”

*********

We appreciate your time and consideration of our comments and would be happy to discuss at your convenience.

Sincerely,

Cory Fox
Government Affairs and Product Counsel Vice President
From: Cheyne Redenius <credenius@usintegrity.com>
Sent: Friday, January 7, 2022 2:41 PM
To: Fleenor, Chris <chris.fleenor@casinocontrol.ohio.gov>; Morrison, Andromeda <Andromeda.Morrison@casinocontrol.ohio.gov>; Donahue, Craig <Craig.Donahue@casinocontrol.ohio.gov>; Anthony, Rick <Rick.Anthony@casinocontrol.ohio.gov>
Cc: Matthew Holt <mholt@usintegrity.com>
Subject: Ohio Regulations - U.S. Integrity, Inc. - Recommended Language

Hello Everyone,

Please see U.S. Integrity’s recommended language updates based on yesterday’s conversation. Thank you all for your time and consideration. Reach out anytime if you have questions or if there are additional items for discussion.

- All licensed operators in Ohio State should be required to contract an approved integrity provider. In order to be an approved integrity provider, the entity should be, among other things, free of any conflicts of interest. This means that the integrity provider must abide by certain limitations:
  - It should not operate a sportsbook or be involved in any creation or distribution of odds.
  - It should not participate or be affiliated with any services or activities that are involved in any form of illegal or unregulated sports wagering.

- Additionally, integrity providers seeking approval in Ohio State should be able to successfully demonstrate to the Gaming Commission the following:
  - A proven track record of identifying patently nefarious or suspicious behavior in the US-regulated sports wagering market.
  - Internal policies and procedures indicating their commitment confidentiality and ethics.
  - Examples of education and awareness workshops, specifically targeting student-athletes, coaches, referees, trainers, collegiate athletic officials and professional sport employees.
  - Proven technology that promptly notifies relevant authorities and sports betting operators of potentially suspicious activity.

- All licensed operators in Ohio State should be mandated to provide said approved integrity provider with sufficient information to ensure they can properly monitor sports-betting information, including:
  - Time of wager;
Odds of wager;
- Location of wager (while labeling relevant wagers “mobile” if applicable);
- Amount of dollars wagered;
- Win amount of wager;
- Wager type (e.g., straight bet, parlay, point spread, total, moneyline, etc.) and
- Team, side or total that the wager was placed upon.

Thank you,
The Team at U.S. Integrity, Inc.

U.S. Integrity, INC
(702) 522-9545
9480 S. Eastern Ave, Suite 205
Las Vegas, NV 89123

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From: Dean Hestermann
To: Rule Comments
Cc: Amy Ankerson; John Walker; Jeffrey P. Hendricks; John Maddox
Subject: Comment on Batch 1 of Initial Sports Gaming Rules
Date: Friday, January 7, 2022 3:29:47 PM

Dear Sir or Madam,

On behalf of Caesars Entertainment and Scioto Downs, I would like to thank you for the opportunity to comment on Ohio’s proposed rules for sports betting.

We have but one comment on Batch 1 of the Initial Sports Gaming Rules, with specific reference to Rule 3772:1-1-08 | Sanctions. We respectfully request that the word “intentional” be inserted in Section (A)(2) as indicated in allcaps below:

(2) Engaging in any INTENTIONAL misrepresentation or material omission;
We believe the existing language may unfairly subject licensees, applicants and other persons to penalties for de minimis and unintentional misstatements or errors, and that the addition of “intentional” results in a more appropriate standard for imposition of sanctions, one that we believe is consistent with similar relevant standards used around the country.

Again, thank you for the opportunity to provide comment.

Sincerely,

Dean Hestermann
Caesars Entertainment

Dean Hestermann  |  Vice President, Issues Management and Strategic Communications
O 901-652-8787
1821 Overton Park Avenue | Memphis, TN 38112
Caesars | Harrah’s | Horseshoe
www.caesars.com
Responsible Gaming Is Our Business: Must be 21 or older to gamble. Know when to stop before you start. Gambling problem? Call or text 1-800-522-4700.

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Good Afternoon,

On behalf of our client, Penn National Gaming, Inc., and Penn Sports Interactive, LLC, the wholly owned subsidiary and digital arm of Penn National Gaming, Inc. (collectively, “Penn”), we appreciate the opportunity to provide comments on 2021 Initial Sports Gaming Rules (“Rules”) promulgated by the Ohio Casino Control Commission (the “Commission”).

For the Commission’s and staff consideration, please find attached Penn’s comments on the Rules based on best practices, industry standards, and Penn’s extensive experience operating online and retail sports wagering. The Rules, with the recommended amendments, support the beginning of the strong and equitable regulation of sports wagering in Ohio.

We greatly appreciate the opportunity to provide comment on these draft rules and look forward to working with the Commission on the implementation of sports wagering in Ohio.

Thanks,
Sam

Samuel H. Porter, III | Partner | Arena District | 250 West Street | Columbus, OH 43215
P: 614.462.1078 | Cell: 614.286.9241 | Samuel.Porter@icemiller.com

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### Ohio Casino Control Commission - 2021 Initial Sports Wagering Rules (Batch 1)

<table>
<thead>
<tr>
<th>Area</th>
<th>Rule Reference</th>
<th>Existing Rule Language</th>
<th>Proposed Language</th>
<th>Reason for Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definitions</strong></td>
<td>Rule 3772:1-1-01(B)</td>
<td>(2) &quot;Conduct&quot; means to back, promote, organize, manage, carry on, sponsor, or prepare for the operation of sports gaming in this state and includes participating in the conduct at issue.</td>
<td>(2) &quot;Conduct&quot; means to back, promote, organize, manage, carry on, sponsor, or prepare for the operation of sports gaming in this state and includes participating in the conduct at issue.</td>
<td>Penn recommends limiting this definition to include only those activities involved in the operations of sports gaming in the state. In accordance with section 3775.03(A)(1) of HB29, no entity may &quot;conduct&quot; or assist in the operation of sports wagering in Ohio without obtaining a license. The current language is overly inclusive, as it contemplates not only those persons or entities vital to the sports wagering operation, but also persons and entities that may be indirectly involved in marketing activities regarding the platform. Requiring each of these persons or entities to obtain the proper license before participating in the conduct of sports wagering will prevent them from doing business in the state, as they have no influence on sports wagering operations and are therefore reluctant to obtain a license. In addition, narrowing this rule ensures that the licensing process is focused on the persons and entities critical to sports wagering operations, ensuring each is adequately investigated prior to obtaining a license.</td>
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<td>Rule 3772:1-1-01(B)</td>
<td>(6) &quot;Suspicious betting activity or pattern&quot; means unusual betting activity or pattern that cannot be explained and is indicative of any conduct that corrupts the outcome of an event or any other prohibited activity.</td>
<td>(6) &quot;Suspicious betting activity or pattern&quot; means unusual betting activity or pattern that cannot be easily explained and is indicative of any conduct that corrupts the outcome of an event or any other prohibited activity.</td>
<td>Penn understands the importance of identifying suspicious activity, however Penn recommends amending this rule as the current language is vague. Some betting activity and patterns that seem unusual on their face can be easily explained for common reasons. For example, a patron that prefers to wager on football over other sports will experience an increase in both the number of wagers and dollars wagered for the period of August through February. Narrowing this definition avoids such betting activity from being considered &quot;suspicious&quot; which allows the OCCC, licensees and certified integrity monitoring providers alike to focus their resources on monitoring other corrupt and prohibited activity.</td>
</tr>
<tr>
<td><strong>Record Retention</strong></td>
<td>Rule 3772:1-1-05(A)</td>
<td>(7) Any materials used to advertise, publicize, or otherwise promote sports gaming in this state;</td>
<td>(7) Any materials final promotional terms and conditions used to advertise, publicize, or otherwise promote sports gaming in this state;</td>
<td>Penn recommends amending this rule as the current language is vague and operationally burdensome to sports gaming proprietors, mobile management services providers, management services providers, and suppliers. As currently written, this rule does not specify which materials the aforementioned licensees must retain. Amending this rule to expressly require final promotional terms and conditions be retained aligns with industry standard, and allows proprietors and their partners flexibility to offer compelling promotions while maintaining integrity and public confidence in Ohio's sports wagering industry.</td>
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<td>Rule 3772:1-1-05(A)</td>
<td>(8) Records related to the conduct of sports gaming in this state; and</td>
<td>(8) Records related to the business of accepting wagers on sporting events. Conduct of sports gaming in this state; and</td>
<td>Penn recommends revising this rule to add clarity by aligning this provision with the definition of &quot;sports gaming&quot; in HB29. In addition, revising this rule will align Ohio with other jurisdictions, as the maintenance of records of all wagers accepted by a sports gaming proprietor on a sporting event is industry standard. As currently written, this rule is reasonably interpreted to be so overly broad as to include any and all aspects of a sports gaming proprietor’s business operations (e.g., a receipt for a printer used to print out odds sheets at the sportsbook).</td>
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<td>Rule 3772:1-1-05(B)</td>
<td>All records required to be maintained must be organized in a manner that enables the commission to locate, inspect, review, and analyze the records with reasonable ease and efficiency.</td>
<td>Upon the request of the Commission, all records required to be maintained must be organized in a manner that enables the commission to locate, inspect, review, and analyze the records with reasonable ease and efficiency.</td>
<td>Penn recommends amending this rule to give the OCCC more control when inspecting records. By requiring sports gaming proprietors, mobile management service providers, management service providers, and suppliers to organize and provide any maintained records upon OCCC request, OCCC can determine the exact scope and format of the records to be provided. This ensures all information is provided to the OCCC in an efficient and clear manner, and gives sports gaming proprietors, mobile management service providers, management service providers, and suppliers clarity regarding how all required records should be retained and maintained.</td>
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<td>Area</td>
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<tr>
<td>Sanctions</td>
<td>Rule 3772:1-1-08(A) (2) Sanctions.</td>
<td>(A) The commission, at a meeting held under section 3772.02 of the Revised Code, may discipline any licensee, applicant, or other person subject to the jurisdiction of the commission pursuant to Chapter 3775. of the Revised Code for any of the following: (2) Engaging in any misrepresentation or material omission;</td>
<td>(A) The commission, at a meeting held under section 3772.02 of the Revised Code, may discipline any licensee, applicant, or other person subject to the jurisdiction of the commission pursuant to Chapter 3775. of the Revised Code for any of the following: (2) Engaging in any <strong>material</strong> misrepresentation or material omission;</td>
<td>Penn recommends amending this rule to add uniformly so that only <strong>“material”</strong> misrepresentations are subject to discipline by OCCC. As currently written, this rule could reasonably be interpreted to mean that any unforeseen circumstances, resulting in any change of a previous disclosure, could be subject to discipline. Amending this rule provides clarity to the OCCC, licensees and applicants and ensures consequences of permissible actions taken in the normal course of business will not be subject to discipline.</td>
</tr>
<tr>
<td>Sanctions</td>
<td>Rule 3772:1-1-08(A) (7) Sanctions.</td>
<td>(7) Failing to allow the commission access to records, to comply with the terms of a subpoena issued by the commission, or to testify on matters about which the person may be lawfully questioned; or</td>
<td>(7) Failing to allow the commission access to records <strong>required</strong> under 3772:1-1-05 of the Administrative Code, to comply with the terms of a subpoena issued by the commission, or to testify on matters about which the person may be lawfully questioned; or</td>
<td>Penn recommends amending this rule to provide licensees and applicants clarity as to the types of records the OCCC may access. As currently written, this rule could be reasonably interpreted to mean that a licensee's or applicant's failure to allow the OCCC access to any records may result in disciplinary action. Amending this rule gives licensees and applicants adequate notice as to which records they may need to make available to the OCCC, resulting in faster and more efficient access, and ensures uniform enforcement of the rule.</td>
</tr>
<tr>
<td>Sanctions</td>
<td>Rule 3772:1-1-08(D) Sanctions.</td>
<td>(U) The commission may impose a monetary civil penalty or fine and may consider the person’s finances in determining the amount of the fine. If the alleged violation is the result of, or results in, the unlawful obtainment or retention of any money or property, the commission may, in addition to any other penalty or fine levied under Chapters 3772, or 3775, of the Revised Code or any rules adopted thereunder, impose a civil penalty or fine in an amount equal to the money or value of the property that was unlawfully obtained or retained.</td>
<td>(U) The commission may impose a monetary civil penalty or fine <strong>and may consider the person’s finances in determining the amount of the fine.</strong> If the alleged violation is the result of, or results in, the unlawful obtainment or retention of any money or property, the commission may, in addition to any other penalty or fine levied under Chapters 3772, or 3775, of the Revised Code or any rules adopted thereunder, impose a civil penalty or fine in an amount equal to the money or value of the property that was unlawfully obtained or retained.</td>
<td>Penn recommends limiting OCCC’s authority to consider a person’s finances when determining the amount of a penalty or fine. The rule is unfair as currently written as it allows OCCC to charge one person more than another, for the same violation, simply on the basis of available funds, rather than considering the violation itself. Penn recommends amending this rule to remove OCCC’s authority to consider finances when imposing a penalty or fine as this will ensure any such impositions are handed down equitably. Additionally, Penn is not aware of such authority being given to a regulatory body in any of the 14 jurisdictions in which we offer sports wagering.</td>
</tr>
<tr>
<td>Integrity Monitor</td>
<td>Rule 3772:1-16-01 (A) Independent integrity monitor provider certification.</td>
<td>(A) An independent integrity monitor provider must request to be certified by the commission to scientifically analyze and evaluate sports gaming data, sports gaming lines, and wagering activity for compliance with Chapter 3775. of the Revised Code and the rules adopted thereunder.</td>
<td>(A) An independent integrity monitor provider must request to be certified by the commission to <strong>scientifically</strong> analyze and evaluate non-proprietary sports gaming information, data, sports gaming lines, and wagering activity for compliance with Chapter 3775. of the Revised Code and the rules adopted thereunder.</td>
<td>In accordance with industry standard, Penn recommends adopting a process whereby operators notify the certified integrity monitor provider and the OCCC if suspicious activity is observed. The certified integrity monitor provider can then evaluate the industry-provided information, investigate and research, and inform the OCCC of any necessary action. As additional background, Penn is a member of US Integrity (“USI”), a leading independent integrity monitoring provider. Penn utilizes this membership in accordance with regulatory requirements set forth in other jurisdictions such as Colorado, Iowa, Indiana, et al. As a member, Penn is responsible for raising any integrity related concerns to USI, and responding to any alerts that are raised by USI that require a response. As part of this membership, Penn is not required to share wagering information with USI. As currently written, this provision is reasonably interpreted to require certified integrity monitoring provider(s) access to specific wagering information from sports gaming proprietors. This is not required in any of the 14 jurisdictions where Penn offers sports wagering, as there are concerns regarding both the protection of patrons’ personal information (e.g., name, social security number, etc.), and other sensitive business-related wagering information (e.g., dollar amounts) which is not currently shared with third parties for proprietary reasons. Amending this rule offers greater privacy protections to patrons and protects the sensitive business-related data of sports gaming proprietors, while ensuring the integrity of sports wagering follows industry best practices.</td>
</tr>
</tbody>
</table>
Good afternoon,

Thank you for the opportunity to provide comments on the Sports Gaming Rules, Batch #1. Please find DraftKings Inc.’s (“DraftKings”) comments attached. We appreciate your consideration of our comments and do not hesitate to reach out to us if you have any questions regarding our submitted comments or anything else related to sports gaming.

Thanks and have a nice weekend,

KEVIN COCHRAN
Senior Manager, Government Affairs and Senior Corporate Counsel
DraftKings Inc.
215-290-4428

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January 7, 2022

Via E-Mail to rulecomments@casinocontrol.ohio.gov
Executive Director Matt Schuler
Deputy Executive Director Rick Anthony
Ohio Casino Control Commission
100 East Broad Street, 20th Floor
Columbus, OH 43215

Re: 2021 Initial Sports Gaming Rules, Batch #1

Dear Executive Director Schuler and Deputy Executive Director Anthony,

Following receipt of the Ohio Casino Control Commission’s (“Commission”) request for input on the 2021 Initial Sports Gaming Rules, Batch #1, DraftKings Inc. (“DraftKings”) submits the following comments for consideration. As a leading sports wagering operator in the United States, DraftKings has first-hand experience with sports wagering regulatory frameworks, and submits these comments based on its operational knowledge in multiple regulated markets.

**Rule 3772:1-16-01 Independent integrity monitor provider certification**

**Rule Reference:** 3772:1-16-01(A)

**Reason for Change:** DraftKings respectfully requests amending the outlined responsibilities that require an independent integrity monitoring provider (“IIMP”) to become certified. In an attempt to align the role of an IIMP in Ohio with the role of an IIMP in other sports wagering jurisdictions, DraftKings suggests having this requirement mirror the duties outlined in the authorizing law’s Section 3775.02(I)(1) instead of using terms that could have multiple interpretations. If the rules require an IIMP be certified in order to monitor sports gaming conducted in the state, the ability to review data, including lines and wagering activity, would be included.

**Existing Rule Language/Proposed Rule Language:**

(A) An independent integrity monitor provider must request to be certified by the commission to scientifically analyze and evaluate monitor sports gaming conducted in this state data, sports gaming lines, and wagering activity for compliance with Chapter 3775. of the Revised Code and the rules adopted thereunder.

**Rule 3772:1-16-04 Duties of a certified independent integrity monitor provider.**
Rule Reference: 3772:1-16-04(A)

Reason for Change: Similar to our comments above, DraftKings respectfully requests modifying the duties of a certified independent integrity monitoring provider ("CIIMP") to clarify the CIIMP's role and align it to how they function in other sports wagering jurisdictions. Generally, a sports wagering operator identifies unusual activity and reports it to an integrity monitoring provider, who in turn requests related information from other sports wagering operators in the market to investigate and analyze unusual activity. See, IGC 68 IAC 27-4-1 Sec. 1 (a)-(c). By including a reference to coordination with sports gaming proprietors in the requirement, the rules could clarify that CIIMPs receive data from sports gaming proprietors and are not expected to determine all unusual betting activities and patterns on their own. The last sentence in the authorizing law’s Section 3775.02(I)(1) also sets out a role for sports gaming proprietors ("[t]he commission shall require each sports gaming proprietor to participate in the monitoring system as part of the minimum internal control standards described in division (D) of this section.").

Existing Rule Language/Proposed Rule Language:

(A) A certified independent integrity monitor provider must monitor all sports gaming conducted in this state in order to identify any unusual betting activities or patterns that may indicate a need for further investigation in coordination with sports gaming proprietors. A report must be provided to the commission, all sports gaming proprietors, and all certified independent integrity monitoring providers of its analysis and monitoring results for any unusual betting activities or patterns the independent integrity monitor provider identifies as suspicious. The report must be provided in a format approved by the executive director upon identification.

* * * * *

Thank you for your consideration of DraftKings’ comments regarding the Commission’s 2021 Initial Sports Gaming Rules, Batch #1, and please reach out if we can be a resource in any way.

Sincerely,

DraftKings Inc.
Attached, please find comments regarding the HB 29 sports gaming rules pursuant to your informational email to stakeholders from December 27.

Thank you!

The Ohio State University

Brian M. Perera
Associate Vice President - State Relations
Office of Government Affairs
300 Bricker Hall, 190 North Oval Mall, Columbus, OH 43210
614-247-8440 Direct Line/ 614-247-8468 Main Office/ 614-270-8061 Mobile
e-mail: perera.1@osu.edu  web: govaffairs.osu.edu

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January 7, 2022

Ohio Casino Control Commission
100 East Broad Street, 20th Floor
Columbus, OH 43215

Dear Commissioners and Executive Director Schuler:

Thank you for the opportunity to provide initial comments regarding the first draft of rules for sports gaming in Ohio pursuant to the enactment of HB 29. We anticipate continuing to communicate with your team as the rulemaking process moves forward.

Throughout our engagement with state officials regarding the legislation to allow for sports gaming in Ohio, we have advocated for restrictions, protections, and resources for our students and student-athletes, who statistically by age are more at-risk of problem gambling and other risky behaviors than the general population.

The actions the Ohio Casino Control Commission takes in its rulemaking process are of paramount importance to not only ensuring integrity and success for Ohio’s sports gaming endeavors, but also assisting colleges and universities in educating students, student-athletes and our university community.

As you create rules related to collegiate sports, we would respectfully ask that you consider:

- Restrict the number of sports eligible for wagering
- Restrict to outcome of game only
- Prohibit prop bets
- Prohibit in-game betting
- No participation by players, coaches, officials, and university athletic department employees, among others
- Enhanced educational programming and problem gaming/addiction services for university students
- Enhanced penalties for coercion and cheating
- Compliance for eSports and club sports

Thank you again for the opportunity to provide initial input. We intend to provide specific feedback on additional rule packages in the future.

Sincerely,

Stacy Rastauskas
Vice President, Government Affairs
Round 2 Stakeholder Comments

Batch 1 – General Provisions, Provisional Licensing, Certified Independent Testing Laboratories, and Certified Independent Integrity Monitors

On behalf of Adam Berger, I am sending you the attached correspondence. If you have any questions or concerns, please contact Adam Berger (adam.berger@duanemorris.com).

Thank you,
MaryKay Duff

For more information about Duane Morris, please visit http://www.DuaneMorris.com

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January 27, 2022

VIA EMAIL (RULECOMMENTS@CASINOCONTROL.OHIO.GOV)

Ohio Casino Control Commission
100 East Broad Street
20th Floor
Columbus, OH 43215

Re: Sports Gaming Rule Comments

Dear Sir/Madam:

As you are aware, this firm represents Fubo Gaming Inc. ("Fubo"). Fubo currently operates sports books in Arizona and Iowa and plans to commence sports wagering operations in several additional states, including Ohio, in the next year. As a multi-state operator, Fubo believes that it can provide valuable insight to the Ohio Casino Control Commission ("Commission") to further the rulemaking process. On behalf of Fubo, we provide the following comments, organized by rule number, to the 2nd Round Sports Gaming Rules - Batch 1.

**Rule 3772:1-16-04 – Duties of a certified independent integrity monitor provider.**

Subsection (B) of this rule contemplates that sports gaming proprietors (and by extension management services providers acting on behalf of the sports gaming proprietors) are expected to share highly particularized sports gaming data with a certified independent integrity monitor in real-time. Fubo’s experiences in other jurisdictions suggest that such a requirement would not further the regulatory objectives underlying the integrity monitoring regime, and may create unnecessary technical challenges for each licensee. Instead, Fubo suggests that this rule should be amended such that sports gaming operators are tasked with primary oversight of ensuring the integrity of their operations and be required to share data with a certified independent integrity monitor upon the identification of a suspicious occurrence as defined in the operator’s internal controls. Further, the Commission can ensure through its review of each relevant license holder’s internal controls that it has proper protocols in place to identify and take proper action.
January 27, 2022
Page 2

with respect to suspicious activity. We note that this requested revision in no way limits the ability of sports gaming proprietors or management service providers to share sports gaming data with a certified integrity monitor.

Separately, subsection (C) of this rule requires certified independent integrity monitors to provide a report (to the Commission, all sports gaming proprietors and all certified independent integrity monitors) of “any activity identified as suspicious”. Fubo believes such reports are a valuable tool to help the industry broadly understand prior suspicious activities and to prevent similar activities from occurring in the future. However, Fubo suggests that this rule be modified to add clarity as to what is considered a suspicious activity based on the professional judgement of certified independent integrity monitors. Such a modification to the rule will allow industry participants to focus their attention on activities which are truly suspicious and which present a real threat of future harm. In this sense, Fubo respectfully submits that the language be modified to state: “A certified independent integrity monitor must provide a report . . . of any activity reasonably identified as suspicious based on the certified independent integrity monitor’s professional judgment and discretion.”

Thank you for your consideration. Fubo welcomes the opportunity to discuss its comments at your convenience.

Very truly yours,

Adam Berger

AB
Good afternoon,

Please see the attached comments on the proposed sports gaming rules.

If you have any questions, please let me know.

Thank you,
Nicole

Nicole Hoyer
Assistant Director of Government Relations
ASPIRE
Miami University
410 E. High St.
Oxford, OH 45056
O/M: (513) 529-4151

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Rule 3772:1-16-4| Duties of a certified independent integrity monitor provider.

(B) A certified independent integrity monitor must be able to receive sports gaming data in a format approved by the executive director, in real-time, from sports gaming proprietors. At a minimum, the data will include:

(1) Time;
(2) Odds;
(3) Location;
(4) Wager amount;
(5) Win amount;
(6) Wager type;
(7) Team, side, total or other statistic the wager was place upon; and
(8) Wagerer identity or designation as approved by the executive director; and
(9) Any other information required by the executive director.

[Comments - One of the short comings some jurisdictions face in their systems that are in place to prevent money laundering, match fixing and other gaming related issues is the lack of information available to regulators. Activity with one gaming proprietor may seem perfectly innocent until you learn that a conflicting activity occurred with another gaming proprietor that may be indicative of money laundering, match fixing or another gaming related issue. Gaming proprietors are not, and should not, be expected to know of a player’s transactions with other gaming proprietors. However, regulators should have the same information possessed by those that they regulate. By requiring every gaming proprietor to provide wagerer information, the independent integrity monitor may be able to detect potential improprieties that otherwise will go undetected.]

The Executive Director may prefer that the independent integrity monitor be given the wagerer’s assigned wagerer number as opposed to the name and social security number. In such cases, the Executive Director, or the Executive Director’s attorney, could maintain a key to the assigned wagerer numbers so that the appropriate investigators could reach out to the wagerer, should circumstances dictate. By doing things in this manner, such player identification information is further protected by the attorney client privilege that exists between the Executive Director and such attorney.
Dear Andromeda,

On behalf of Sports Information Services Ltd d/b/a Kambi, please see attached our comments to the Ohio Casino Control Commission in relation to the 2nd Round Sports Gaming Rules Batch 1 - we look forward to continuing dialogue with the Commission on the rules.

Let us know if it would be helpful to discuss our submission further, or if we can be of assistance in any other way.

Kind regards,

Stefan

Stefan Nigam
Legal and Regulatory Counsel
+44 7759 832617
www.kambi.com
UK: 3rd Floor, 1 Queen Caroline Street, London, W6 9HQ

Mr. Nigam:

Thank you for providing comments and feedback on the proposed rule language. Staff will be carefully reviewing all of the received comments and will contact you if additional information would be helpful. Again, thank you for your thoughtful participation in the rule-drafting process.

Respectfully,
From: Stefan Nigam <Stefan.Nigam@kambi.com>
Sent: Friday, January 7, 2022 1:01 PM
To: Rule Comments <rulecomments@casinocontrol.ohio.gov>
Cc: Tommaso Di Chio <Tommaso.DiChio@kambi.com>; Aleksandar Gajic <Aleksandar.Gajic@kambi.com>; Regulatory Compliance <regulatory.compliance@kambi.com>; Regulatory Affairs <regulatory.affairs@kambi.com>
Subject: RE: Kambi / Ohio Sports Gaming Rules for Comment

To whom it may concern,

On behalf of Sports Information Services Ltd d/b/a Kambi, we would like to express gratitude for the opportunity to submit comments to the Ohio Casino Control Commission in relation to the Initial Sports Gaming Rules Batch 1. As a sportsbook provider with operations globally and across the US, we are looking forward to the launch of Ohio’s sports betting market and hope we can assist the Commission throughout the launch period.

Please see attached our submission on the rules for your consideration.

Let us know if it would be helpful to discuss our submission further, or if we can be of assistance in any other way.

Kind regards,
Stefan

Stefan Nigam
Legal and Regulatory Counsel
+44 7759 832617
www.kambi.com
UK: 3rd Floor, 1 Queen Caroline Street, London, W6 9HQ
Sports Gaming Stakeholders,

The Commission is sending out its first batch of sports gaming for comment. As outlined in the Commission’s original sports gaming presentation, rules are being batched out according to subject matter and stakeholders will have the opportunity to review and comment on rules twice before the formal statutory process starts. The rules being provided for comment in this set concern general provisions, provisional licensing, independent testing laboratories, and integrity monitoring providers.

The proposed versions of those rules can be found here.

Please feel free to forward this communication to anyone else you think may be interested in these rules. Additionally, anyone may sign up for the Commission’s sports-gaming listserv themselves here. If you would like to unsubscribe from this listserv, you may do so using the link located at the bottom of this email.

If after reading and reviewing these rules you would like to provide written comments, please email them to rulecomments@casinocontrol.ohio.gov by January 7 at 5:00 PM.

While you will have additional chances to comment on these rules, including when they are filed with the state’s Common Sense Initiative Office (“CSI”), please note that it is much easier and faster for the Commission and for
stakeholders to work out any questions or comments directly before the rules start the formal process with CSI.
Kambi

Comments on 2nd Round Sports Gaming Rules
Batch 1

28 January 2022
COMMENTS ON DRAFT REGULATIONS

On behalf of Sports Information Services Ltd d/b/a Kambi, I would like to express gratitude for the opportunity to submit comments to the Ohio Casino Control Commission (the Commission) in relation to the 2nd Round Sports Gaming Rules Batch 1 (the Draft Regulations).

We look forward to continuing dialogue with the Commission on the rules, particularly with a view to build on our previous comments to the 2021 Initial Sports Gaming Rules Batch 1 submitted on January 7, 2022 (“Batch 1 Round 1 Comment”).

1) Rule 3772:1-1-01 | Definitions.

As currently drafted, the Commission has identified several definitions relevant for sports gaming. It is our understanding that the Commission will continue to update the definitions as the draft regulation discussions progress. We are looking forward to future batches where we anticipate provisions concerning cancelled and voided bets will be included, as this is an important aspect of regulations and have worked well in other jurisdictions. These definitions give the operator the ability to cancel wagers if the event/bet offer is unable to be completed (i.e., the event is cancelled or postponed) or void the wager according to the operator’s internal controls or house rules, which are approved by the Commission (i.e., placed at incorrect odds or during technical issues). In both of these instances, it allows the customer and the player a clear and efficient process to determine the correct settlement. With that in mind, we would like to take this opportunity to propose below additional definitions that we believe will contribute to a comprehensive sports gaming framework that minimises the risk of uncertainty.

“Cancelled Wager” means a sports wager cancelled by the operator due to an issue preventing the completion of the event or causing the subject of the bet to cease to exist.¹

“Voided Wager” means a sports wager voided by an employee of the licensee or operator and approved by a supervisor or higher pursuant to the internal controls or house rules.²

2) Rule 3772:1-16-04 | Duties of a certified independent integrity monitor provider.

(A) A certified independent integrity monitor provider must monitor all sports gaming conducted in this state by the sports gaming proprietors it has contracted with in order to identify any unusual betting activities or patterns.

(B) A certified independent integrity monitor must be able to receive sports gaming data in a format approved by the executive director, in real-time, from sports gaming proprietors. At a minimum, the data will include:

¹ Title 42 § VI-103 of the Louisiana Administrative Code (https://www.doa.la.gov/media/oibbwfam/42v1-15.pdf)
² Title 42 § VI-103 of the Louisiana Administrative Code (https://www.doa.la.gov/media/oibbwfam/42v1-15.pdf)
In regard to Rule 3773:1-16-04, we would like to refer to our Batch 1 Round 1 Comments previously submitted. We note with regret that our comments were not taken on board and would like to stress that the new language only deepens our concern. The reason for this concern has been expressed in our previous correspondence, which for ease of reference, we have included as an Appendix to this letter.

2A. Requirements on integrity monitors are not in line with industry best practice and would negatively impact business stakeholders and industry efficiency:

Section (B) of Rule 3773:1-16-03 provides that “A certified independent integrity monitor must be able to receive sports gaming data”. To meet this requirement in respect of all transactions would be a huge undertaking for a certified independent integrity monitor with associated cost burdens and would essentially duplicate what is already being done by proprietors’ trading teams and it is not something that has ever been asked of a monitor outside of the US to the best of Kambi’s knowledge. Such an approach is therefore highly questionable in terms of necessity and impact, especially given that the context provided by the Optimum Betting Market Report⁴ IBIA published last year, which shows that: “in total, operators who contributed to this report offered betting on over 500,000 sports matches, or 650,000 events including horse racing per annum. Of these, 99.96% had no suspicious betting alerts.”

We respectfully submit that the HB29 Sec. 3775.02.(I)(1) language providing that “the commission shall monitor all sports gaming conducted in this state by sports gaming proprietors, or shall contract with an independent integrity monitoring provider for that purpose...” does not necessarily require a regulatory requirement for the integrity monitor, or the Commission, to monitor all sports gaming transactions. We believe that a reasonable interpretation could allow integrity monitors to fulfil this legislative standard while continuing existing best practice where integrity monitors work together with proprietors’ trading teams to concentrate monitoring efforts on suspicious transactions only. Adherence to the legislative intent might be formalised through codes of conduct or agreements between integrity monitors and operators. In any event, we would be grateful for the Commission’s willingness to explore such solutions and interpretations further, in the interests of ensuring an efficient and cost-effective sports betting market in Ohio.

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⁴ Available at: https://ibia.bet/an-optimum-betting-market/
Alternatively, if the Commission disagrees with our view regarding the proper interpretation of HB29, Sec. 3775.02.(I)(1), we respectfully submit that this issue be investigated further for an ultimate evaluation by Ohio’s Common Sense Initiative, so that unnecessary inefficiencies in the sports betting market can be avoided. Kambi would be happy to assist the Commission in evaluating the negative business impact this legal / regulatory requirement would have, leveraging our international sports betting experience and relationships with integrity monitors in the US and internationally.

2B. ‘Real-time’ requirement unfeasible:

Section (B) of Rule 3773:1-16-03 further provides that sports gaming data must be available “in real-time”. While Kambi agrees that best practice is to raise suspicious transactions as soon as possible (subject to the time it takes to internally check markets once a suspicion is raised), having such data available in real-time, at all times, is not always feasible given that issues are sometimes only evident over a long time horizon. For instance, suspicious player activity or potential corruption has occasionally been identified months after a sporting event has taken place, when new data is available requiring re-investigation of historical data or long-term betting behaviour has been observed.

With this in mind, we respectfully submit that Section (B) of Rule 3773:1-16-03 be amended as follows:

(B) A certified independent integrity monitor must be able to receive sports gaming data in a format approved by the executive director, in real-time or as soon as is practically possible, from sports gaming proprietors...

Yours faithfully,

Tommaso Di Chio

Tommaso Di Chio
SVP Regulatory Affairs and Compliance
Sports Information Services Limited D/B/A Kambi
As currently drafted, Rule 3773:1-16-04 may be interpreted as requiring integrity monitor providers to actively monitor all sports gaming conducted in Ohio, as opposed to the approach taken in the vast majority of other US states, where operators/proprieters are responsible for monitoring activities on their own platform and then reporting such incidents to independent integrity monitor providers or the relevant regulator. While we understand and appreciate the importance of the integrity of sports gaming, we respectfully submit our concerns of this approach, and/or any language of the Draft Regulations that may lead to this interpretation.

Giving an independent integrity monitor provider full authority or obligation to monitor conducted sports gaming would negatively impact the effectivity of the operators’/proprieters’ own monitoring activities and daily operations, as well as leading to the risk that too much (often confidential or personal) data is being shared with the integrity monitor that goes above what is strictly necessary to identify any unusual betting activity or pattern.

Further, monitoring activity for integrity concerns requires analysis of a multitude of data points for which the Integrity Monitoring Provider would not possess the Operators’ internal context. Identifying a large wager on a game cannot be labelled as suspicious without knowledge including analysis of the suspicious patrons’ details, metrics, typical betting patterns as well as input from the trading team as to how the odds compare to the market, usual wager size on such a market and whether the participant/team has been involved in suspicious events previously. Allowing sports gaming proprietors to harvest their vast experience and knowledge in these areas prior to escalating to the Integrity Monitoring Provider increases the effectiveness of integrity alerts and investigations. Therefore, sports wagering operators are best placed to provide the first line analysis as they will have individual sports experts setting the lines and monitoring the market for each event and will also have far more robust structures and tools in place to monitor integrity risks. By way of example, Kambi is a 24/7/365 trading operation employing more than 300 trading, risk, and integrity management staff. An integrity monitoring provider will not have such resources attempting to run a similar service.

Moreover, credible sports gaming proprietors will be required to have internal controls as well as conduct monitoring activities. Pursuant to article 3775.10(A)(9) and (B)(2), a sports gaming proprietor shall ensure that all sports gaming is monitored as well as immediately report to the Commission any abnormal sport gaming activity or patterns that may indicate a concern regarding the integrity of a sporting event. Hence, a sports gaming proprietor will in all cases monitor all sports gaming conducted in the state in order to identify any unusual betting activity or pattern. Therefore, we believe that in order to limit the risks of negatively impacting the effectivity of the operations and the risk that an inappropriate amount of data is being shared, a sports gaming proprietor should properly be the party sharing information of unusual betting activities or patterns to the independent integrity monitor provider.

The approach of having the sports gaming proprietor sharing such information as discussed is also in accordance with other major states providing sports wagering. Pursuant to section 13:69N-1.6(a) of the New Jersey regulations, “Sports pool operators shall have controls in place to identify unusual...
betting activity and report such activity to an integrity monitoring provider”. Pursuant to § 1408a.9(b) of the Pennsylvania regulations, “A sports wagering certificate holder or sports wagering operator must share information of unusual wagering activity or other suspicious wagering activity regarding sports wagering in this Commonwealth with: (1) Other sports wagering certificate holders or sports wagering operators, (2) The Board.”.

Given that this approach has been very successful in other major states providing sports wagering while not putting the operations of operators or the integrity of sports events at risk, we believe the same approach would be successful in the state of Ohio. We therefore respectfully submit that the Commission revise rule 3773:1-16-04 to remove any possibility that independent integrity monitors will be required to actively monitor all sports gaming activity in Ohio.

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4 Section 13:69N-1.6(a) of the New Jersey Administrative Code (https://www.nj.gov/oag/ge/docs/SportsBetting/FinalAdoptionRegisterPublishedOct7.pdf)

5 § 1408a.9(b) of the Pennsylvania Code (https://gamingcontrolboard.pa.gov/files/regulations/Final_Regulations_Master.pdf)
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<td>Stefan Nigam (<a href="mailto:stefan.nigam@kambi.com">stefan.nigam@kambi.com</a>)</td>
<td>38.32.41.178</td>
<td>Fri, 28 Jan 2022 17:03:55 +0000</td>
</tr>
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<td>Stefan Nigam (<a href="mailto:stefan.nigam@kambi.com">stefan.nigam@kambi.com</a>)</td>
<td>38.32.41.178</td>
<td>Fri, 28 Jan 2022 17:03:56 +0000</td>
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<td><a href="mailto:tommaso.dichio@kambi.com">tommaso.dichio@kambi.com</a> opened email for Ohio Reg comments - 2nd Round Sports Gaming Rules Batch 1 - Ohio Reg comments - 2nd Round</td>
<td>Tommaso Di Chio (<a href="mailto:tommaso.dichio@kambi.com">tommaso.dichio@kambi.com</a>)</td>
<td>81.107.170.235</td>
<td>Fri, 28 Jan 2022 17:06:21 +0000</td>
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<td>Tommaso Di Chio (<a href="mailto:tommaso.dichio@kambi.com">tommaso.dichio@kambi.com</a>)</td>
<td>81.107.170.235</td>
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<td>Tommaso Di Chio (<a href="mailto:tommaso.dichio@kambi.com">tommaso.dichio@kambi.com</a>)</td>
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Good afternoon Ms. Morrison,

Thank you for the opportunity to provide comments on the Sports Gaming Rules, Batch #1, Round #2. Please find DraftKings Inc.’s (“DraftKings”) comments attached. We appreciate your consideration of our comments and do not hesitate to reach out to us if you have any questions regarding our submitted comments or anything else related to sports gaming.

Thanks and have a nice weekend,

KEVIN COCHRAN
Senior Manager, Government Affairs and Senior Corporate Counsel
DraftKings Inc.
215-290-4428

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January 28, 2022

Via E-Mail to rulecomments@casinocontrol.ohio.gov
Executive Director Matt Schuler
Deputy Executive Director Rick Anthony
Ohio Casino Control Commission
100 East Broad Street, 20th Floor
Columbus, OH 43215

Re: Initial Sports Gaming Rules, Batch #1, Round #2

Dear Executive Director Schuler and Deputy Executive Director Anthony,

Following receipt of the Ohio Casino Control Commission’s (“Commission”) request for input on the Initial Sports Gaming Rules, Batch #1, Round #2, DraftKings Inc. (“DraftKings”) submits the following comments for consideration. As a leading sports wagering operator in the United States, DraftKings has first-hand experience with sports wagering regulatory frameworks, and submits these comments based on its operational knowledge in multiple regulated markets.

Similar to our comments on Batch #1, Round #1, DraftKings’ comments for Batch #1, Round #2 are focused on the independent integrity monitor provider’s (“IIMP”) role in the sports gaming framework. Specifically, we respectfully request that Ohio’s sports gaming framework operates similar to sports wagering in other sports wagering jurisdictions and an IIMP’s role should be to receive information from sports gaming proprietors related to unusual wagering activity and help to determine if the activity amounts to suspicious wagering activity.

DraftKings’ main concerns with an IIMP receiving information on every bet as is proposed within the current sports gaming framework, are as follows:

- **Effective Integrity Monitoring:** Each sports wagering operator, as is generally documented in the internal controls, monitors a player’s betting patterns and is best positioned to determine if a mild variation in a player’s betting is unusual. Customer specific analysis by a sports wagering operator including previous betting patterns, deposit information, comparison to other accounts, and a variety of other factors, are needed to explain variations in a player’s betting, or escalate variations in their betting to unusual wagering activity.

- **Administratively Burdensome:** The overwhelming majority of wagers accepted by sports wagering operators do not trigger any integrity monitoring red flags and an IIMP’s analysis of all wagering data without a sports wagering operator’s customer-specific analysis would
be incomplete and ineffective. As a result, forcing sports gaming proprietors to submit all wagering data, either periodically or in real-time, would be burdensome for both the sports gaming proprietor and the IIMP without increasing the effectiveness of integrity monitoring. In order for an IIMP to effectively identify unusual wagering activity independent from information received by sports gaming proprietors, an IIMP would likely need traders and other staff to duplicate efforts and analysis already performed by sports wagering operators, incurring a substantial cost that may be passed through to other stakeholders.

DraftKings would welcome the opportunity to speak to the Commission to answer any questions related to integrity monitoring and how the process is conducted in other United States jurisdictions.

Rule 3772:1-16-04 Duties of a certified independent integrity monitor provider.

Rule Reference: 3772:1-16-04(A)

Reason for Change: DraftKings respectfully resubmits a substantially similar comment from our Batch #1, Round #1 comments that would modify the duties of a certified IIMP to clarify the certified IIMP's role and align it to how they function in other sports wagering jurisdictions. Generally, a sports wagering operator identifies unusual activity and reports it to an integrity monitoring provider, who in turn requests related information from other sports wagering operators in the market to investigate and analyze unusual activity. See, IGC 68 IAC 27-4-1 Sec. 1(a)-(c). By including a reference to coordination with sports gaming proprietors in the requirement, the rules could clarify that certified IIMPs receive data from sports gaming proprietors and are not expected to determine all unusual betting activities and patterns on their own, which would be a unique requirement to the state of Ohio. The last sentence in the authorizing law’s Section 3775.02(I)(1) also sets out a role for sports gaming proprietors (the commission shall require each sports gaming proprietor to participate in the monitoring system as part of the minimum internal control standards described in division (D) of this section).

Existing Rule Language/Proposed Rule Language:

(A) A certified independent integrity monitor provider must monitor all sports gaming conducted in this state by sports gaming proprietors it has contracted with in order to identify any unusual betting activities or patterns in coordination with sports gaming proprietors.
Reason for Change: DraftKings respectfully requests clarification on the draft rule’s use of the term “in real-time” related to a certified IIMP ability to receive sports gaming data. While important that a certified IIMP be able to receive information “in real-time,” as we previously stated we seek clarification on if the Commission intends for a sports gaming proprietor to send all sports wagering information to a certified IIMP, or just unusual and suspicious wagering activity.

In the case a certified IIMP is expected to receive all information from sports gaming proprietors, DraftKings respectfully requests the timeframe standard for the sharing of data between sports gaming proprietors and certified IIMPs be adjusted to allow for a regular cadence that may not be “in real-time.”

Existing Rule Language/Proposed Rule Language:

(B) A certified independent integrity monitor must be able to receive sports gaming data in a format approved by the executive director, in real-time or as soon as is practically possible, from sports gaming proprietors. At a minimum, the data will include:

* * * * *

Thank you for your consideration of DraftKings’ comments regarding the Commission’s Initial Sports Gaming Rules, Batch #1, Round #2, and please reach out if we can be a resource in any way.

Sincerely,

DraftKings Inc.
Good Afternoon,

Enclosed please find comments on behalf of our client Penn National Gaming, Inc.

Thanks,
Sam

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January 28, 2022

Andromeda Morrison
General Counsel
Ohio Casino Control Commission
100 E Broad St., Fl. 20
Columbus, Ohio 43215-3688

Re: Penn Commentary on Ohio Casino Control Commission 2022 Initial Sports Gaming Rules - Batch 1 – General Provisions, Provisional Licensing, Certified Independent Testing Laboratories, and Certified Independent Integrity Monitors

Dear Ms. Morrison:

Penn National Gaming, Inc., and Penn Sports Interactive, LLC, the wholly owned subsidiary and digital arm of Penn National Gaming, Inc. (collectively, “Penn”), appreciate the opportunity to provide comments on 2022 Initial Sports Gaming Rules (“Rules”) promulgated by the Ohio Casino Control Commission (the “Commission”). Penn operates 44 destinations across the United States with a variety of retail and online gaming, live and simulcast racing, entertainment and hospitality offerings, and currently has 24 retail sportsbooks in 10 jurisdictions.

In addition, Penn has launched the online Barstool Sportsbook in the following 12 states: Arizona, Colorado, Illinois, Indiana, Iowa, Louisiana, Michigan, New Jersey, Pennsylvania, Tennessee, Virginia and West Virginia. In 2019, Penn opened the first interactive (online) casino in the Commonwealth of Pennsylvania and has since launched online casino in the states of Michigan, New Jersey and West Virginia.

For the Commission’s consideration, please find below Penn’s comments on the Rules based on best practices, industry standards, and Penn’s extensive experience operating online and retail sports wagering. The recommended amendments support the Commission’s charge to ensure sports wagering in Ohio is conducted with the utmost integrity.

**Rule 3772:1-1-05 | Records retention.**

Paragraph (C) of the 3772:1-1-05 related to materials used to advertise, publicize, or otherwise promote sports gaming does not adequately specify which materials the licensees must retain, and creates an overly broad and operationally burdensome requirement that is inconsistent with industry standards.

Without greater specificity, this rule creates uncertainty for the operator on what records need to be maintained. For example, due to the nature of affiliate relationships and marketing, it is unclear whether any comments or mentions of an operator’s online sports pool made on mediums such as
social media platforms would need to be maintained. As online sports wagering is a highly discussed industry, general mentions of features and offers on an operator’s online sports pool will be commonplace. Penn would not consider such general mentions to be official marketing materials of the company, but rather organic, unaffiliated representation that is inherent to the industry.

Therefore, we recommend limiting the records to site terms and conditions, promotional terms and conditions, and final collateral created by the licensees to promote official offerings to the patrons of Ohio. Limiting the retention in this manner will still enable the Commission to review and respond to patron complaints related to official promotional statements and offers and conduct a review for potential disciplinary actions or investigations. Further, this practice aligns with industry standards, is consistent with the approach in other states, and will not undermine the Commission’s regulatory objectives.

At an absolute minimum, Penn recommends clarifying that the burden of this rule to retain records only extends to the records expressly created by the specific licensee and not marketing affiliates, other licensees or unaffiliated persons or entities.

**Rule 3772:1-16-04 | Duties of a certified independent integrity monitor provider.**

Additions to 3772:1-16-04 now require sports gaming proprietors to share sports gaming data, *in real-time*, with a certified integrity monitor. This is not a requirement in the other 14 jurisdictions in which Penn operates and we are not aware of this requirement in any state with commercial sports wagering. It is true the Commission is required under implementing legislation to monitor all *sports gaming* conducting in the state (either through the Commission or an IIMP), but best practices in the U.S. is to receive reports only related to suspicious transaction and this can be in a format approved by the executive director.

Integrity monitoring “in real time” is not an achievable standard absent a live-data feed from the operator into the integrity provider. This information would encompass significantly more data than the data related to suspicious wagering. Penn considers the data (like name, social security number, wagering amounts, etc.) proprietary and sensitive business-related information. None of this information is shared with third parties. To be clear, we do not object to sharing any information necessary to properly and thoroughly investigate suspicious wagering with the integrity provider. For example, providing certain wagering information in accordance with 3775.02(J)(2) of the Revised Code, if the Commission or external law enforcement determine that such information is necessary for cooperating with an ongoing investigation.

The rule, as currently drafted, creates a greater and broader role for an integrity provider than in any other state. And a greater role than necessary to achieve the regulatory objectives of investigating suspicious activity and ensuring the integrity of the activities. If the rule remains as drafted, the integrity provider, having access to sensitive patron personal information and business-related operator information, should be held to the same high standards of licensure and investigation as the operators.
In accordance with industry standards, Penn recommends adopting a process whereby operators notify the certified integrity monitor provider and the Commission if fraudulent, unusual or suspicious betting activity is observed. The certified integrity monitor provider can then evaluate the industry provided information, investigate and research, and inform the Commission of any necessary action. The standard for reporting suspicious wagering to regulators in other states is “immediately.”

Other states add further layers of protection whereby certain conduct – such as criminal or disciplinary proceedings, illegal bets, abnormal betting or patterns, potential breaches of governing body internal rules, etc. are promptly reported to the regulators. These processes can also be addressed via internal control procedures, ultimately reviewed and approved by the Commission.

All stakeholders within the sports wagering ecosystem are committed to ensuring the integrity of these activities. A scandal or failure to properly address suspicious wagering activity would be harmful to the industry and would erode the public’s trust. The current processes imposed in other states are serving this objective and we would ask that Ohio take a risk-based approach to this issue.

Therefore, we would recommend replacing the language “in real time” with “as soon as reasonably practicable” or “promptly”.

***

Thank you for your consideration and please don’t hesitate to reach out if you have any questions.

Best Regards,

John H. Oberle

John H. Oberle
Ice Miller LLP

cc: William Cox, Deputy General Counsel, Ohio Casino Control Commission
    Chris Soriano, VP Chief Compliance Officer, Penn National Gaming, via email only
    Jeff Morris, VP Public Affairs, Penn National Gaming, via email only
    Josh Pearl, Director of New Market Operations, Penn Interactive, via email only
    Jason Birney, General Manager, Hollywood Casino Columbus, via email only
    Brad Hirsch, General Manager, Hollywood Casino Toledo, via email only
    Tim Kelley, General Manager, Hollywood Gaming at Dayton Raceway, via email only
    Robert Swedinovich, VP & GM, Hollywood Gaming Mahoning Valley, via email only
    Matt Spitnale, Regional Director of Compliance, Hollywood Casino Columbus & Toledo, via email only
Dear Executive Director Schuler,

Thank you for the opportunity to provide comments for the second round of review on the Ohio Casino Control Commission’s Initial Sports Gaming Rules – Batch 1. Attached please find our comments and please do not hesitate to contact me if you have any questions or need any additional information from us regarding our comments.

Sincerely,

Andrew J. Winchell
Director, Government Affairs
845.325.6235 | andrew.winchell@fanduel.com

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Cory Fox
cory.fox@fanduel.com

January 28, 2022

Via Email to rulecomments@casinocontrol.ohio.gov
Matt Schuler, Executive Director
Ohio Casino Control Commission
100 East Broad Street, 20th Floor
Columbus, OH 43215


Dear Executive Director Schuler:

I write to provide comments on behalf of FanDuel Group, Inc. (“FanDuel”) regarding the Ohio Casino Control Commission’s (“Commission”) proposed “2021 Initial Sports Gaming Rules, Batch 1 – Round 2 - General Provisions, Provisional Licensing, Certified Independent Testing Laboratories, and Certified Independent Integrity Monitors” (“Proposed Rules”). Based on our extensive experience as an operator in the online casino gaming, sports betting and fantasy sports industries and collaborator with regulators of sports betting in many states in the development of their regulations, we offer constructive feedback on ways in which the Proposed Rules can be improved for effectiveness and consistency with other state regulations.

Following the Supreme Court’s decision to strike down the Professional and Amateur Sports Protection Act (PASPA) in May of 2018, FanDuel has now become the leading sports wagering operator, and the largest online real-money gaming operator, in the United States. FanDuel currently operates twenty-four (24) brick and mortar sportsbooks in thirteen (13) states and online sports wagering in fourteen (14) states. We thank the Commission for reviewing the comments we submitted for round one and appreciate the opportunity to provide additional feedback. We have arranged our comments in two parts. Part I is focused on issues of concern in the Proposed Rules that may significantly impact the ability of sports wagering operators to successfully operate in Ohio. Part II is focused on requests for clarification and minor grammatical edits.

All changes will be shown as follows: proposed additional text will be bolded and underlined and all text to be deleted will be bolded, bracketed, and struck through. For the sake of clarity where we are suggesting edits to a section that the Commission has also provided edits to, our suggested edits will be in red, and the Commission’s edits will be in black.

**Part I – Operational Concerns.**
Issue 1 – Data sharing with integrity monitors.

In Sections 3772:1-16-01 and 3772:1-16-04 of the Proposed Rules, the Commission details some of the responsibilities of independent integrity monitors. However, it appears that these responsibilities, and the requirements placed upon sports gaming proprietors and independent integrity monitors as a result, are significantly different than generally found in other jurisdictions. The standard role for independent integrity monitors in other jurisdictions is to receive and process reports of unusual betting activity or patterns that have been identified by operators through their own analysis.

The requirements of these sections are burdensome both on sports gaming proprietors and independent integrity monitors and require the unnecessary duplication of efforts. Additionally, these requirements may impose significant financial burdens on operators, especially smaller class B retail-only operations. We would welcome the opportunity for further discussion with the Commission to discuss the detrimental impact of these duplicative and burdensome requirements, and how they do not provide additional value to the integrity monitoring process.

We suggest that the Commission, in order to achieve compliance with the statute, while removing the unnecessary duplication of efforts, adjust the requirements to ensure that independent integrity monitors, while receiving betting data from sports gaming proprietors, are only required to engage in analysis of unusual betting activity that has been identified. This will reduce the burden and duplication of efforts, while providing independent integrity monitors with access to the data the Commission believes is necessary under the statute.

Additionally, we suggest that the Commission allow for flexibility in the timing of data sharing to, and submission of reports of suspicious betting activity from, independent integrity monitors to ease the burdens of these requirements on sports gaming proprietors and independent integrity monitors.

To address these concerns, we suggest the following edits:

Rule 3772:1-16-01(A):
“(A) An independent integrity monitor provider must request to be certified by the commission to [scientifically] analyze and evaluate sports gaming data, sports gaming lines, and wagering activity, provided in reports of unusual betting activity from sports gaming proprietors it has contracted with, for compliance with Chapter 3775. of the Revised Code and the rules adopted thereunder.”

Rule 3772:1-16-04(A):
“(A) A certified independent integrity monitor provider must monitor [all] sports gaming conducted in this state by the sports gaming proprietors it has contracted with in order to
identify receive reports of any unusual betting activities or patterns from the sports gaming proprietors it has contracted with. A report must be provided to the commission, all sports gaming proprietors, and all certified independent integrity monitoring providers of its analysis and monitoring results for any unusual betting activities or patterns the independent integrity monitor provider identifies as suspicious. The report must be provided in a format approved by the executive director upon identification.”

“(A) A certified independent integrity monitor provider must monitor all sports gaming conducted in this state by the sports gaming proprietors it has contracted with in order to identify analyze any unusual betting activities or patterns that have been identified.

(B) A certified independent integrity monitor must be able to receive sports gaming data in a format approved by the executive director, in real-time, from sports gaming proprietors. For purposes of this section “real-time” means on a commercially reasonable periodic interval. At a minimum, the data will include:

1. **Time:**
2. **Odds:**
3. **Location:**
4. **Wager amount:**
5. **Win amount:**
6. **Wager type:**
7. **Team, side, total or other statistic the wager was placed upon; and**
8. **Any other information required by the executive director.**

(C) A certified independent integrity monitor must provide a report [must be provided] to the commission, all sports gaming proprietors, and all certified independent integrity monitoring providers of its analysis and monitoring results for any unusual betting activities or patterns the independent integrity monitor provider identifies any activity identified as suspicious, as soon as practically possible. The report must be provided in a format approved by the executive director upon identification.”

Part II - Requests for Clarification and Minor Grammatical Corrections.
• **Issue 1 – Grammatical edit to address missing text.**

In section 3772:1-1-05(D) of the Proposed Rules, the Commission uses the word “funished” when it appears that the word “furnished” is the intended word for the context of that provision. To address this concern, we suggest the following edit:

**Rule 3772:1-1-05(D):**

“(D) All records required to be maintained must be organized or furnished by the **record holder** in a manner that enables the commission to locate, inspect, review, and analyze the records with reasonable ease and efficiency, when requested by the **commission**.”

**********

We appreciate your time and consideration of our comments and would be happy to discuss at your convenience.

Sincerely,

Cory Fox
Government Affairs and Product Counsel Vice President
Please find attached the response of the International Betting Integrity Association (IBIA) regards

Jason Foley-Train
Independent Policy, Analytics and Communications Adviser/Consultant
+44 7552 627958

Sent from Mail for Windows 10

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IBIA response: Ohio Casino Control Commission draft sports gaming rules (Batch 1, Round 2) consultation

January 2022
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Chapter 1: Introduction

1. The International Betting Integrity Association (IBIA)\(^1\) is a not-for-profit trade body representing the betting integrity interests of many of the largest licensed retail and online sports betting operators in the world. The association welcomes the opportunity to comment on the Ohio Casino Control Commission’s (OCCC) draft rules for sports betting following the passing of House Bill 29.\(^2\)

2. The association’s members are licensed and operate within various regulatory frameworks for gambling around the world; their business operations and focus are truly international. IBIA’s membership is made up of 85+ retail and online/remote sports betting brands, including many globally recognised household names, operating across six continents.

3. Those operators have US$137bn of global betting turnover per annum through their regulated businesses and account for c.30% of all (retail and online) regulated sports betting activity and c.40% of all regulated online sports betting globally. In some markets, such as Great Britain, IBIA members’ betting turnover can be as high as 90% of the national licensed betting market.

4. IBIA’s principal goal is to protect its members, consumers and partners, such as sports bodies, from fraud caused by the unfair manipulation of sporting events and associated betting. The organisation combats this fraud with evidence-based intelligence, principally obtained from its global monitoring and alert system, which identifies suspicious activity on its members’ markets.

5. The association has longstanding information sharing partnerships with leading sports bodies and gambling regulators around the world to utilise that data to investigate and prosecute corruption. That approach has been successful in helping to drive criminals away from regulated markets, creating a safe and secure environment for our members’ customers and sports.

6. The association, which was established in 2005 and formerly known as ESSA, is the leading global voice on integrity for the licensed betting industry. It represents the sector at high-level policy discussion forums and maintains a policy of transparency and open debate, publishing quarterly integrity reports analysing activity reported on the IBIA monitoring and alert platform.\(^3\)

7. In particular, IBIA holds seats on betting integrity policy groups run by the International Olympic Committee (IOC), European Commission, UN and the Council of Europe, amongst others. The association also engages in mitigating actions with a range of partners, such as player betting education programmes and academic studies on the causes of, and solutions to, match-fixing.

8. IBIA has followed the recent regulation of betting in the United States (US) and has, or is in the process of, agreeing suspicious betting data sharing agreements with many of the relevant state authorities,\(^4\) notably those that require betting operators to be part of an integrity monitoring system, as in Ohio.\(^5\) IBIA welcomes the opportunity to provide its experience and knowledge of the global sports betting market and related integrity issues to this OCCC consultation.

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\(^1\) https://ibia.bet/
\(^3\) https://ibia.bet/resources/
\(^4\) IBIA is currently approved in New Jersey, Colorado, Michigan, Indiana, New York and Arizona. We also have four other applications submitted and pending at the time of writing.
\(^5\) House Bill 49 section 3775.02 (I) (1) and draft sports gaming rules (Batch 1)
Chapter 2: Sports Gaming Rules (Batch 1, Round 2)

Rule 3772:1-16-04 | Duties of a certified independent integrity monitor provider

9. IBIA has, since its inception, promoted the benefits of sports betting operators being part of an integrity monitoring body in its engagement with policymakers and regulatory authorities around the world. An increasing number of regulatory authorities have either implemented this as part of their operator licensing arrangements or acknowledged the benefits and subsequently advocated that betting operators should give due consideration to participating in an integrity network.

10. IBIA welcomes that this provision has been embraced in Ohio – as in some other US states - and that it has been incorporated in the sports gaming rules. The association also welcomes the amendment to Paragraph A of the previous rules and the inclusion of new wording that: “A certified independent integrity monitor provider must monitor all sports gaming conducted in this state by the sports gaming proprietors it has contracted with” as IBIA proposed (see annex A).

Monitoring all transactions

11. The current wording of Paragraph A, however, remains particularly problematic from a compliance standpoint, and where the necessity of the approach proposed is highly questionable, notably from an evidence and risk-based market integrity protection perspective. This relates to the interpretation of the requirement that: “A certified independent integrity monitor provider must monitor all sports gaming conducted in this state” for suspicious betting activity.

12. IBIA is aware that this stipulation reflects the statute, namely that: “The commission shall monitor all sports gaming conducted in this state by sports gaming proprietors, or shall contract with an independent integrity monitoring provider for that purpose, in order to identify any unusual betting activities”. However, the requirement for an integrity body to monitor all transactions centrally, even if now limited to those it is contracted with, is a huge and unnecessary undertaking.

13. IBIA’s monitoring platform covers $137bn in handle per annum and equates to nearly half (c.47%) of all regulated commercial online betting activity globally. That system identifies on average around 240 suspicious bets per annum, with 39 cases of on US sports during 2017-21, averaging at around 8 cases per year. The US figure includes an anomalous 17 cases during Covid hit 2020. The other four years stand at 22 cases, or 5-6 cases per year, on sporting events in the US.

14. The Optimum Betting Market Report published last year, which covers the commercial and integrity activities of IBIA betting operator members, shows that: “In total, operators who contributed to this report offered betting on over 500,000 sports matches, or 650,000 events per annum. Of these, 99.96% had no suspicious betting alerts.”

15. IBIA members had $24bn of handle per year on basketball matches (from 50,000 basketball games globally) with suspicious betting activity identified on only 0.02% of those matches. This equates to one suspicious betting alert for every 5,400 matches, or in monetary values, one potential integrity issue for every $2.6bn of turnover wagered with IBIA members.

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6 HB29 (I) (1) page 54 https://legiscan.com/ OH/bill/HB29/2021
7 Page 58 https://ibia.bet/an-optimum-betting-market/
8 Ibid.
16. The relative integrity risk, the associated approach to integrity monitoring and the proportionality and necessity to monitor every transaction centrally - Ohio transactions may number in the millions to tens of millions annually - should be considered accordingly. In short, the vast majority of bets will show no suspicious activity. Where they do, this is not necessarily an indication of corruption, but more that an investigation should take place to assess potential concerns.

17. IBIA’s model is customer transaction based, and the largest of its type globally; however, it does not monitor every customer transaction centrally, but instead utilises the existing and sophisticated trading systems and know your customer (KYC) abilities within each of its betting operator members to monitor and raise suspicious betting on its alert platform.

18. All other members then assess their own customer activity against that report. Once all IBIA members have engaged and reported, the IBIA integrity team makes an independent assessment of that data and whether it warrants a classification of ‘suspicious’ and should be communicated to the relevant regulatory authority and sports body. This model - operators monitoring their markets and feeding integrity data to an integrity monitoring body – has been adopted in other US states and indeed globally, where a monitoring system is required to be in operation.

19. It is important to recognise that those operators are, under their licensing, required to monitor and communicate suspicious betting to an integrity monitor (and/or the regulator), and it is the licensed operator that is primarily liable for sanction if it does not sufficiently meet that licensing requirement. Given that the statute and associated draft sports rules are focused on integrity, the association requests that further consideration be given to the primary intent of this provision.

20. Requiring a betting integrity body to centrally monitor tens of millions of customer transactions and the sizeable administrative and cost implications associated with that, is in no way proportionate to the market integrity risk (currently 240 alerts globally and 5-6 on the US sporting events, on average annually). Indeed, monitoring customer transactional data may also entail associated data protection issues and concerns.

21. The availability of integrity monitoring platforms that operators may join is already limited; the approach proposed further restricts that marketplace - IBIA is not aware of any monitoring body that can currently meet the requirements. The relatively burdensome level of expenditure required to establish such a system under the current requirements, has the potential to create a monopoly situation, with associated competition and cost implications for betting operators.

22. If any monitoring body has stated that it can meet these protocols, then IBIA wishes to impress upon the OCCC the need for a detailed evaluation of that monitor’s platform. To meet the conditions as set out, and to monitor every transaction properly, will require that integrity monitor to essentially mirror the role of the traders in each operator, which may number in the hundreds across OCCC licensed betting companies.

23. Running wagering transactional data through an algorithm will not be sufficient to replicate the important function of those traders, notably in understanding the wagering preferences of their customers and then identifying suspicious or irregular behaviour. Without that important know your customer (KYC) element, there is a distinct danger than the monitor essentially becomes a data transaction collation facility, rather than an integrity monitoring provider.
24. Whilst IBIA understands that the OCCC must understandably work within the scope of the statute, the association contends that the imposition of a strict interpretation as presently proposed is unfortunately likely to result in a counterproductive situation for the market. For some operators, the cost of being part of an integrity monitor could be higher than the OCCC’s licensing costs; ultimately, that cost burden could serve as a deterrent for betting operators to seek a license.

25. IBIA contends that it cannot be proportionate, nor the intent of the legislature, statute, and the licensing and regulatory system, to overburden businesses to that extent and with such unnecessary and disproportionate costs relative to the integrity risk, and which may ultimately result in the creation of a potentially anti-competitive market framework for integrity monitoring.

26. The association and its members therefore request further engagement with the OCCC on this matter to try and seek a workable solution and to ensure that this issue does not cause a delay to the timetable for the licensing process and market opening at the start of 2023.

Real-time data

27. Paragraph B includes a requirement that “A certified independent integrity monitor must be able to receive sports gaming data in a format approved by the executive director, in real-time, from sports gaming proprietors.” A list of minimum requirements has now been added e.g. wager type, which are already inputted into the IBIA platform by its members when reporting suspicions.

28. However, with regard to the stipulation that this be data received in “real-time”, the association requests that some flexibility be added. It is understandable that the OCCC would like this data reported immediately, and that is the approach of IBIA operators, subject to a slight delay as each operator checks their market as a suspicion is raised – often around 1 hour with IBIA.

29. However, on occasion a regulator or sport may approach a monitor/s months after a sporting event has taken place with evidence of potential corruption (e.g. specific player information) and ask that betting markets be rechecked. Whilst it is unusual, it is nevertheless possible that, armed with new data, suspicious betting may be identified at a later date, and then reported.

30. IBIA therefore suggests that the ‘real-time’ aspect of Paragraph B been changed to reflect this and to provide more flexibility where that is justified, as follows: “A certified independent integrity monitor must be able to receive sports gaming data in a format approved by the executive director, in real-time or as soon as is practically possible, from sports gaming proprietors.”

Sharing integrity data

31. Paragraph C requires that a report of suspicious betting must be provided not only to the commission, but also to “all sports gaming proprietors, and all certified independent integrity monitoring providers”. The requirement that integrity monitoring bodies share information regarding suspicious bets with all other parties is imposed in some other US states.

32. It is understandable that this model has been seen as having potential benefits in advancing the integrity evaluation. However, this approach is not the norm globally, and where the regulatory authority is customarily the initial recipient of reports from operators and/or monitoring bodies. The regulator then considers that data and determines whether it should be shared more widely.
33. There are a range of reasons why this alternative approach is favoured by non-US regulators - and supported by IBIA and its members - and why the requirement to share sensitive integrity data directly with other monitoring bodies, instead of via a regulatory authority, poses a number of issues and concerns, which have been acknowledged by non-US regulatory authorities, including:
   - Materially differing approaches to determining alerts
   - Scope of the data to be shared
   - Unjustified alerts
   - Security and misuse of data requests
   - Conflicts of interest

34. These issues formed the basis of IBIA’s discussions with the Alcohol and Gaming Commission of Ontario (AGCO), which initially proposed in its draft betting rules that monitoring bodies should share integrity data. IBIA provided evidence-based arguments explaining why an alternative mechanism was preferable and has welcomed the amendment to the AGCO’s approach.9

35. The AGCO continues to require that its licensed operators be part of an independent integrity monitor, but no longer enforces engagement between monitoring bodies, moving to a reporting approach which puts the statutory regulator in receipt and control of sensitive integrity data from the start of any suspicious betting alert process. This is supported by IBIA and its members.

36. Statutory independent regulatory bodies have far greater scope and justification to collate and share such sensitive data, which can be restricted in content and anonymised as it determines. It may also assess and reject alert sharing requests it doesn’t deem warranted. This is particularly pertinent with regard to personal customer data protection and potential legal action that might emanate from any direct data sharing between monitoring bodies and its misuse.

37. That is the standard approach, whether that be operators communicating alerts directly to the regulator or through monitoring bodies: a statutorily centralised alert data administrator within the regulator receives, considers and distributes alert data as it determines is appropriate. This is the process adopted in the Netherlands, Germany, Czech Republic, and soon in Ontario, where operators are required to be part of an independent integrity monitoring body.10

38. In line with that, IBIA believes that the collation and exchange of sensitive integrity data is a regulatory coordinating matter from beginning to end. As such, the association requests that the wording in Paragraph C be amended follows:

“A certified independent integrity monitor must provide a report to the commission, all sports gaming proprietors, and all certified independent integrity monitoring providers of any activity identified as suspicious. The report must be provided in a format approved by the executive director upon identification. The commission will then determine if it is necessary to share that report, in part or full, with other parties such as sports, sports gaming proprietors, other certified independent integrity monitoring providers and any other relevant parties.”

39. The association would welcome an ongoing dialogue with the OCCC on these matters.

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9 https://www.agco.ca/sport-and-event-betting-integrity
IBIA response: Ohio Casino Control Commission draft sports gaming rules (Batch 1) consultation

January 2022
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Chapter 1: Introduction

40. The International Betting Integrity Association (IBIA)\(^{11}\) is a not-for-profit trade body representing the betting integrity interests of many of the largest licensed retail and online sports betting operators in the world. The association welcomes the opportunity to comment on the Ohio Casino Control Commission’s (OCCC) draft rules for sports betting following the passing of House Bill 29.\(^{12}\)

41. The association’s members are licensed and operate within various regulatory frameworks for gambling around the world; their business operations and focus are truly international. IBIA’s membership is made up of 85+ retail and online/remote sports betting brands, including many globally recognised household names, operating across six continents.

42. Those operators have US$137bn of global betting turnover per annum through their regulated businesses and account for c.30% of all (retail and online) regulated sports betting activity and c.40% of all regulated online sports betting globally. In some markets, such as Great Britain, IBIA members’ betting turnover can be as high as 90% of the national licensed betting market.

43. IBIA’s principal goal is to protect its members, consumers and partners, such as sports bodies, from fraud caused by the unfair manipulation of sporting events and associated betting. The organisation combats this fraud with evidence-based intelligence, principally obtained from its global monitoring and alert system, which identifies suspicious activity on its members’ markets.

44. The association has longstanding information sharing partnerships with leading sports bodies and gambling regulators around the world to utilise that data to investigate and prosecute corruption. That approach has been successful in helping to drive criminals away from regulated markets, creating a safe and secure environment for our members’ customers and sports.

45. The association, which was established in 2005 and formerly known as ESSA, is the leading global voice on integrity for the licensed betting industry. It represents the sector at high-level policy discussion forums and maintains a policy of transparency and open debate, publishing quarterly integrity reports analysing activity reported on the IBIA monitoring and alert platform.\(^{13}\)

46. In particular, IBIA holds seats on betting integrity policy groups run by the International Olympic Committee (IOC), European Commission, UN and the Council of Europe, amongst others. The association also engages in mitigating actions with a range of partners, such as player betting education programmes and academic studies on the causes of, and solutions to, match-fixing.

47. IBIA has followed the recent regulation of betting in the United States and has, or is in the process of, agreeing suspicious betting data sharing agreements with many of the relevant state authorities,\(^{14}\) notably those that require betting operators to be part of an integrity monitoring system, as in Ohio.\(^{15}\) IBIA welcomes the opportunity to provide its experience and knowledge of the global sports betting market and related integrity issues to this OCCC consultation.

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\(^{11}\) https://ibia.bet/
\(^{13}\) https://ibia.bet/resources/
\(^{14}\) IBIA is currently approved in New Jersey, Colorado, Michigan, Indiana, New York and Arizona. We also have four other applications submitted and pending at the time of writing.
\(^{15}\) House Bill 49 section 3775.02 (I) (1) and draft sports gaming rules (Batch I)
Chapter 2: Sports Gaming Rules (Batch 1)

Rule 3772:1-16-01 | Independent integrity monitor provider certification

48. Whilst there appears to be no explicit reference either way, neither House Bill 29 nor the draft sports gaming rules appear to limit the number of independent integrity monitoring providers. IBIA contends that creating a monopoly body would be unnecessary and counterproductive, and subject to meeting the OCCC’s operational requirements, supports that licensed betting operators be permitted to choose an appropriate integrity partner within the regulated market structure.

49. In some cases, this will involve the continuation of a positive and longstanding engagement on integrity covering a global market monitoring operation, as is the case with IBIA and its members. Maintaining that engagement across US states that regulate betting is therefore of potential benefit and desirable in the context of establishing a cohesive and extensive integrity monitoring data set that would be difficult to achieve via a more fragmented operational approach.

50. With regard to the various fees (certification and renewal) and potential additional investigatory costs, the association notes that this varies across US states requiring operators to be part of an integrity monitoring provider, and where those providers have had no application fee applied or range up to a nominal $500 in New Jersey, Colorado, Michigan, Virginia and Tennessee.

51. IBIA and its members fully support necessary and proportionate probity assessment process and related costs that serve to maintain the integrity of the regulated market. However, whilst it is noted that some other states have higher fees and that market protection is paramount, integrity monitoring and related costs should also be assessed on an evidence and risk-based approach.

52. From a market risk assessment, IBIA reported 39 cases of suspicious betting on US sports during 2017-21, averaging at around 8 cases per year. That includes an anomalous 17 cases of suspicious betting during covid hit 2020. The other four years stand at 22 cases, or 5-6 cases per year. These cases are primarily in tennis and where, as with many other sports, the association already has a longstanding positive relationship with that sport to share and investigate that alert data.

53. The advantages of integrity monitoring bodies in protecting markets and sports are widely understood in Europe, and where there are no fees for monitoring provider engagement and regulatory interaction. Market integrity protection and wider investigation costs are essentially covered within the general betting operator licensing fees, providing a more holistic approach.

54. In practice, integrity monitoring provider fees are in any event inevitably passed on to betting operators as additional costs they pay to the monitor, and then passed to the regulator. This could therefore be seen as adding unnecessary fiscal and administrative processes, both for the regulator and monitoring bodies; this is especially the case for not-for-profit bodies such as IBIA.

55. Whilst IBIA and its members fully support a robust independent integrity monitor certification process, for the reasons outlined, the association asks that the OCCC reassess the scope, level and appropriateness of the monitor fee, currently set at $5,000 and renewable after 5 years, against the state’s wider licensing income, necessity for the fee and possible alternative approaches.
Rule 3772:1-16-02 | Compliance investigation of an independent integrity monitor provider

56. The OCCC compliance investigation seeks to establish if the independent integrity monitor provider has “Policies and procedures to determine if they prevent conflicts of interest, provide for segregation of duties, detect and prevent fraud, and ensure impartiality”. IBIA contends that removing conflicts of interest from the monitoring process, notably commercial, is paramount.

57. The Alcohol and Gaming Commission of Ontario (AGCO) has moved to address this important issue by establishing a specific requirement within its Standards that: “Independent integrity monitors shall not have any perceived or real conflicts of interests in performing the independent integrity monitor role, including such as acting as an operator or as an oddsmaker.”

58. This does not impact bodies solely focused on betting integrity monitoring such as IBIA or the Global Lottery Monitoring System (GLMS), but serves to discourage and disqualify parties who may, for example, offer trading services to betting operators, from seeking to also incorporate integrity services within that platform (and where potential commercial conflicts may arise).

59. IBIA supports the AGCO approach and encourages the OCCC to consider adopting this wording and to amending its rules accordingly.

Rule 3772:1-16-04 | Duties of a certified independent integrity monitor provider

60. IBIA has, since its inception, promoted the benefits of sports betting operators being part of an integrity monitoring body in its engagement with policymakers and regulatory authorities around the world. An increasing number of regulatory authorities have either implemented this as part of their operator licensing arrangements or acknowledged the benefits and subsequently advocated that betting operators should give due consideration to participating in an integrity network.

61. IBIA therefore welcomes that this provision has been embraced in Ohio – as in some other US states - and that it has been incorporated in the draft OCCC sports gaming rules. In supporting this approach, some US states have additionally required that integrity monitoring bodies share information regarding unusual or suspicious bets identified by the respective monitoring systems with all other certified integrity monitoring bodies operating in those states.

62. It is understandable that this model has been seen as having potential benefits in advancing the integrity evaluation. However, this approach is not the norm globally, and where the regulatory authority is customarily the initial recipient of reports from operators and/or monitoring bodies. The regulator then considers that data and determines whether it should be shared more widely.

63. There are a range of reasons why this alternative approach is favoured by non-US regulators - and supported by IBIA and its members - and why the requirement to share sensitive integrity data directly with other monitoring bodies, instead of via a regulatory authority, poses a number of issues and concerns, which have been acknowledged by non-US regulatory authorities, including:
   - Materially differing approaches to determining alerts
   - Scope of the data to be shared
   - Unjustified alerts
   - Security and misuse of data requests

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16 Rule 3772:1-16-02 - Section [C] [2]
17 https://www.agco.ca/sport-and-event-betting-integrity
Conflicts of interest

64. The association would welcome the opportunity to discuss these issues in greater detail with the OCCC; they formed the basis of IBIA’s discussions with the Alcohol and Gaming Commission of Ontario (AGCO), which initially proposed in its draft betting rules that monitoring bodies should share integrity data. IBIA provided evidence-based arguments explaining why an alternative mechanism was preferable and has welcomed the amendment to the AGCO’s approach.\(^{18}\)

65. The AGCO continues to require that its licensed operators be part of an independent integrity monitor, but no longer enforces engagement between monitoring bodies, moving to a reporting approach which puts the statutory regulator in receipt and control of sensitive integrity data from the start of any suspicious betting alert process. This is supported by IBIA and its members.

66. Statutory independent regulatory bodies have far greater scope and justification to collate and share such sensitive data, which can be restricted in content and anonymised as it determines. It may also assess and reject alert sharing requests it doesn’t deem warranted. This is particularly pertinent with regard to personal customer data protection and potential legal action that might emanate from any direct data sharing between monitoring bodies and its misuse.

67. That is the standard approach outside of the US, whether that be operators communicating alerts directly to the regulator or through monitoring bodies: a statutorily centralised alert data administrator within the regulator receives, considers and distributes alert data as it determines. This is the process adopted in the Netherlands, Germany, Czech Republic, and soon in Ontario, where operators are required to be part of an independent integrity monitoring body.\(^{19}\)

68. In line with that, IBIA believes that the collation and exchange of sensitive integrity data is a regulatory coordinating matter from beginning to end. As such, the association suggests that Rule 3772:1-16-04 (A) be amended as follows:

“A certified independent integrity monitor provider must monitor sports gaming conducted in this state by the sports gaming proprietors it has contracted with in order to receive reports of any unusual or suspicious betting activities or patterns from those sports gaming proprietors. A report of unusual or suspicious betting must be provided to the commission by the certified independent integrity monitor. The commission will then determine if it is necessary to share that report, in part or full, with other parties such as sports, sports gaming proprietors, certified independent integrity monitoring providers and any other relevant parties. The report must be provided in a format approved by the executive director upon identification.”

69. The association would welcome discussion with the OCCC on this matter and any additional integrity issues.

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\(^{18}\) https://www.agco.ca/sport-and-event-betting-integrity

\(^{19}\) Section 21 (3) https://www.gesetze-bayern.de/Content/Document/StVGlueStV-21 &
IBIA response: Ohio Casino Control Commission sports gaming rules (Batch 1, Round 2) consultation
Attached please find the comments and requests regarding sports gaming rules from Ohio State University. The letter is intended to address your open comment period from January 28 – February 4.

As noted in our earlier communications, we look forward to working with you and being a resource as you move towards rule finalization and implementation.

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**The Ohio State University**

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January 28, 2022

Ohio Casino Control Commission  
100 East Broad Street, 20th Floor  
Columbus, OH 43215

Dear Commissioners and Executive Director Schuler:

Thank you for providing Ohio State University with the opportunity to provide comments regarding the second draft of rules for sports gaming in Ohio. Under the statutory provision authorizing the Ohio Casino Control Commission to prohibit or restrict certain types of wagering specified in ORC 3775.02(C)(1), we would respectfully request consideration of limitations to collegiate betting. Nothing in this request should be construed to affect the sports gaming on professional sporting events.

As we have discussed with your commission, our principal concerns are for the ongoing safety and well-being of our student body. Both athlete and non-athlete students will be exposed to undesirable behaviors surrounding wagering on collegiate events, and we must work together to ensure the best outcome for both our student population and the state of Ohio.

While the legislation sets the betting age at 21, we believe that younger students will also face challenges with their fellow students now allowed to legally wager. Therefore, we urge the Commission to dedicate educational and addiction-related programming funding for high school and post-secondary students as part of the implementation of sports wagering in Ohio. We stand ready as a partner to assist in the development of programming and allocation mechanisms for the educational and problem gaming set-asides.

Additionally, aligning with our initial communication of January 7, below are recommendations related to collegiate wagering:

- **Limit sports wagering to football and basketball only.** Limiting betting to certain team sports and events will significantly assist with compliance. In addition, it will prevent students in individual sporting events from being threatened by disgruntled bettors based on their athletic performance as we have seen in other states.
- **Restrict wagers to the outcome of the game and prohibit prop bets on collegiate sports.** Again, our concern is for the student athlete. Allowing an in-game bet on a kick or a free throw can lead to very bad outcomes for the athlete regardless of his/her success due to the ability of angered bettors to anonymize threats and ridicule via social media platforms.
- **Aligning state rules with NCAA (or applicable league/conference) rules** specifying that collegiate players, coaches, officials, and athletic department staff/employees may
not participate in wagering. This will help ensure the integrity in athletics that the state and the commission will be enforcing. In addition, if collegiate eSports are to be included in wagering, which we advise against, all students and staff/faculty involved with those games must also be excluded from wagering. In many cases, these individuals are separate from athletic departments, so separate guidance is needed for these activities.

- **Create enhanced penalties and enforcement for coercion and cheating.** Using existing state law (ORC 2915.05), to reinforce the fact that activities such as soliciting personal data about athletes/competitors in an attempt to give bettors “inside information” will not be tolerated. Outside gaming influences from those seeking to gain an edge in their wagering have used college students who are roommates, friends of, or the competitors themselves to create an advantage for themselves or even throw games. This must be prevented for the safety of the students and the integrity of the competition.

- **Specify that Club Sports at colleges and universities are not eligible activities under sports wagering.** Club sports are designed to serve individual interests in different sports and recreational activities. These teams are generally not NCAA or athletic conference affiliated. As club sports are oftentimes organized under the auspices of campus student life and not athletic departments, there is a significantly reduced ability to maintain any type of compliance with regards to wagering. In addition, there may not be statistical data for these types of contests that can be relied upon as the official record. Notably, many club sports have these same concerns, as they reside outside of athletic departments in many cases.

Thank you again for the opportunity to provide input. We look forward to working with the Commission as you finalize the rules for sports wagering in Ohio.

Sincerely,

Stacy Rastaukas
Vice President
Office of Government Affairs

Sent via e-mail to rulescomments@casinocontrol.ohio.gov
Thanks, Robert. I’m including our rule comments email box to make sure that these are included in the stakeholder feedback process.

Craig

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Robert Wamsley
Director of Compliance
Hard Rock Casino Cincinnati
1000 Broadway Street | Cincinnati, Ohio 45202
https://www.hardrockcasinocincinnati.com/
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Rule 3772:1-16-04 | Duties of a certified independent integrity monitor provider.

(A) A certified independent integrity monitor provider must monitor all sports gaming conducted in this state by the sports gaming proprietors it has contracted with in order to identify any unusual betting activities or patterns.

(B) A certified independent integrity monitor must be able to receive sports gaming data in a format approved by the executive director, in real-time, from sports gaming proprietors. At a minimum, the data will include:

1. Time;
2. Odds;
3. Location;
4. Wager amount;
5. Win amount;
6. Wager type;
7. Team, side, total or other statistic the wager was placed upon; and
8. Any other information required by the executive director.

(C) A certified independent integrity monitor provider must provide a report of its analysis and monitoring results for any unusual betting activities or patterns the independent integrity monitor provider identifies to the commission, all sports gaming proprietors, and all certified independent integrity monitoring providers of its employees. The report must be provided in a format approved by the executive director upon identification.

(D) A certified independent integrity monitor provider must testify at any administrative hearing or court proceeding as requested by the commission.

(E) A certified independent integrity monitor provider must annually review each of its employees. This review must include a criminal background check and an assessment of the training, experience, performance, and competence of each employee.

(F) A certified independent integrity monitor provider must take corrective action whenever any nonconforming work is discovered, procedures are not followed, procedures are required to be changed, or other unsatisfactory conditions exist. The commission must be notified upon the corrective action being taken.

(G) A certified independent integrity monitor provider must establish and maintain a training program for its employees to ensure the employees maintain the experience and expertise to
HRC would like to understand the definition of real time and if there is protection from the certified independent integrity monitor for propitiatory information of HRC or HRI.
conduct all analysis and monitoring required by the commission. Training records must be maintained for all employees and made available to the commission upon request.